



CODE OF ETHICS

Approved by the Board of Directors
on the 3rd of October 2008



Dear Associates,

During its meeting of October 3, 2008, the Board of Directors of Ringmill S.p.A. adopted a Code of Ethics which, together with the Safety Management System, is now an integral and essential part of its Organizational and Management Model, pursuant to Legislative Decree 231/2001.

The primary purpose of this Code of Ethics is to proclaim and promulgate the Company's ethical values and the rules of conduct which the Company recognizes and accepts, to which it adheres and which it places at the foundation of all its relations both internal and external.

Observance of the principles contained in this Code of Ethics by all those who work for the Company or who maintain relations with it is an expression of the company policy of Ringmill S.p.A, which strives to attain excellence for its organization as well as its products while respecting the fundamental principles of integrity, honesty and transparency.

Chairman of the Board of Directors



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1. Presentation of the Company

RINGMILL S.p.A. was founded in 1978. Its main office and production facility is located in Dubino, Italy, in the province of Sondrio, near the northern end of Lake Como. The plant occupies an area of more than 100,000 square meters. Already in its first years of operation the company won international recognition and is now classified among the top-ranking producers of forged parts worldwide. The annual production capacity of the company is over 60,000 tons.

In 1991 the company received ISO 9002 Quality Certification, which was revised to ISO 9001 in 2002. It continues to strive day by day to improve every aspect of its production activities in order to achieve “excellence”.

The experience RINGMILL S.p.A. has acquired in the 30 years it has been in operation has permitted it to reach a position of global leadership in the production of top quality steel forgings.

2. Introduction

a) The Nature of the Code of Ethics

This Code of Ethics is the document in which Ringmill S.p.A. (hereinafter “RM”) defines the set of ethical values which it recognizes, accepts and to which it adheres. The Code of Ethics also defines the responsibilities which RM and its associates assume in their internal and external relations.

b) The Importance of the Code of Ethics

Adherence to this Code of Ethics by all those who work for RM is of fundamental importance to effective operations, to the reliability, the reputation and, ultimately, the success of the company.

Each member of the Board of Directors and the Board of Auditors, each employee or associate of RM is expected to know and comply with the regulations contained in this Code of Ethics. They should contribute actively to its diffusion and implementation and report, as well, any transgressions which might occur within their area of competence.

Violation of the rules and principles set down in the Code of Ethics compromises the relationship of trust between the company and the transgressor and shall be dealt with decisively, immediately and without hesitation, using congruent and adequate disciplinary measures, whether or not the violation is punishable by law and/or constitutes a criminal offence punishable

by law.

c) The Purpose

The primary purpose of the Code of Ethics is to proclaim and promulgate the set of values and the rules of conduct to which the company intends to refer in explicating its business.

This code is an integral part of the model of organization, management and control adopted by RM pursuant to Decree 231 (hereinafter “Management & Organizational Model”), for the purpose of preventing the commission of those criminal offences contemplated by the abovementioned decree.

d) To Whom the Code of Ethics is Addressed

This Code of Ethics is addressed to:

- the shareholders
- the corporate bodies (the Board of Directors, the Managing Directors, the Board of Auditors, the Statutory Auditor, and any person exercising powers of representation, decision or control, also de facto, within the company);
- the Managers of the company
- the Personnel (i.e. the employees, the temporarily employed, the employer-coordinated free-lance professionals) who perform work for, in favor of, and on the behalf of RM;
- the Contractors or any persons under contract to complete work and/or provide services commissioned by RM;
- the Consultants and Suppliers of goods and services, also of a professional nature, and anyone who performs work in the name of and/or on the behalf of RM or under its supervision.

e) The Mandatory Nature of the Code of Ethics

Those addressed by the Code of Ethics are required to observe and respect its principles and to abide by its rules of conduct.

Knowledge of and adherence to the Code of Ethics is a mandatory prerequisite for establishing and maintaining collaborative relations with third parties, to whom RM promises to furnish any and all related attachments or informational material, within a context of absolute transparency.

The members of the corporate bodies, the managers and the personnel who do not respect the provisions of the Code shall be subject to disciplinary action.

As far as regards the members of the Board of Directors, a violation of the Code can constitute grounds for liability towards the company pursuant to Art. 2392 of the Civil Code and “just cause” for revocation pursuant to Art. 2383, paragraph 3 of the Civil Code.



As far as regards the members of the Board of Auditors, a violation of the Code can constitute grounds for liability pursuant to Art. 2407 of the Civil Code and “just cause” for revocation pursuant to Art. 2400, paragraph 2 of the Civil Code.

Within the context of relations between the management and the personnel of the Company, a violation of the regulations contained in the Code of Ethics shall constitute a breach subject to disciplinary action (the measure and the application of which must, in any case, respect the provisions of the applicable Worker’s Statute and National Collective Labor Contract), due to the mandatory nature of the Code pursuant to and in accordance with Articles 2104 and 2105 of the Civil Code.

With regards to the Contractors, the Consultants and the Suppliers of goods and services, the violation can constitute legitimate cause for the application of penalties (which must be duly provided for in the contracts) or for termination of the contract.

3. Business Ethic

RM derives its decisions and rules of conduct from the ethical principles and values described below, which constitute its business policy:

a) Correctness

RM assures that all who work for the company adhere to the principles of fairness and correctness when performing their jobs, both within the company and externally, also to ensure that the company’s reputation and the trust it enjoys in its relations with customers, and third parties in general, is conserved;

b) Honesty in Business Dealings

The Members of the Board, the Managers and the Personnel of the company must comport themselves fairly and honestly, both in performing their jobs, and in their relations with other members of the company’s organization, avoiding the pursuit of illicit or illegitimate purposes, or any behavior which might generate doubt regarding conflicts of interest in order to gain undue advantages either personally or for others;

c) Transparent and Complete Information

With respect for the principle of transparency, RM promises to furnish third parties with correct, true and complete information;

d) Fair Competition

With respect for national and EC legislation regarding antitrust and free commerce, RM shall not assume behavior nor sign agreements with other companies which might have a negative

impact on the competition between the parties operating within the market in question.

e) Independence and Impartiality

RM insures that all those who act on behalf of the company, whatever their capacity, are independent, impartial and fair, not only when performing their duties but also in their relations within the company and with its correspondents.

f) Riservatezza

The members of the Corporate Bodies, the Management, the Personnel and the Consultants and Associates of the Company shall not use, divulge or publish information or data, whether confidential or not, regarding the company unless within the confines of and relative to the performance of their jobs.

g) Protection of Personal Privacy

RM reserves particular attention for the implementation of the provisions regarding the protection and safekeeping of personal data, as well as to the recommendations and communications issued by the National Authority for the Protection of Personal Data.

h) Diligence and Care

The Company ensures that its employees perform their duties with the required diligence and care, in accordance with the directives of their supervisors and/or foremen and, in general, with those of the company’s quality standards and work safety regulations.

i) Justice and Equality

The Company is committed to developing a sense of team spirit within the company and condemns any form of discrimination and/or abuse, both in internal and external relations. To this end the Company sees that none of its dependants practice any form of discrimination based on age, sex, nationality, political opinions, religious creed, state of health, etc.

j) Hierarchical structure

With the synergy and efficiency of the industrial process in mind, RM bases its organization on the principle of hierarchy, according to which each single component (whether a Director, Manager, Supervisor or Worker), based upon his or her position in the Company’s organizational diagram (organigram), is qualified and responsible for his or her own actions or omissions.

The Managers and Supervisors, within the limits of the responsibilities attributed to them in their job descriptions, shall direct, coordinate and control the actions of those working under their supervision.

k) Professionalism

The people who work within the Company and those who the Company entrusts with the provision of work or services have proven that



they have the competence, professionalism and experience required. As far as regards its own personnel, the Company sees constantly to their training, to keeping them abreast of technical progress, and to ensuring their professional growth.

I) Personal Protection – Work Safety

Respecting the laws governing the protection of a person's moral and physical integrity, the Company ensures that its personnel enjoys decorous working conditions in a safe and healthy workplace. The Company pursues compliance with the laws and standards governing health and safety on the job, allotting the necessary economic resources and implementing a Work Safety Management System.

4. Respect for the law

RM believes in the value of work and considers the legality, correctness and transparency of its actions prerequisites for the achievement of its economic, productive and social objectives, with full respect for the principles of business ethics set down in this document.

The Company considers respect for the laws and regulations in force in all the countries in which it operates an inalienable ethical principle; consequentially, all its employees, managers, members of the corporate bodies, consultants and associates, external suppliers and subcontractors are expected to observe, scrupulously and diligently, the laws and regulations in force in all the countries in which RM operates, as well as the rules contained in this Code of Ethics and, solely for the applicable aspects, in the regulations and procedures of the Company.

RM's goals and interests cannot, in any situation, be pursued or accomplished in violation of the laws and regulations in force or through conduct that is not in accordance with this Code of Ethics.

All those who work in and for RM must have knowledge of the law and of the conduct they require; a lack of knowledge of these regulations does not free a person of responsibility in any way.

In the case of doubt regarding the proper conduct to be followed or about how to proceed, the interested party is required to ask his or her superior for the necessary explanations, or, in the case of outsiders, his or her person of reference within the Company.

RM shall not begin nor continue a relationship with anyone who does not agree to abide by these principles.

5. Confidentiality and Information Management

All employees and associates are required to respect the confidential/privileged information to which he is made a party due to the position held or the activity carried out on behalf of the Company, not divulging it externally and not sharing such information with other individuals – nor with colleagues – unless in compliance with the statutory regulations in force, with the principles of correctness, diligence and loyalty and respecting the information and the applicable internal procedures of the company.

In addition, all employees and associates are expected to respect sensitive information of a confidential nature regarding the company, not divulging it externally and not sharing such information with other individuals – nor with colleagues – who have no need to be made party to it. For example, information regarding agreements made with other companies is confidential and cannot be divulged. The same rule applies to financial and commercial information about the company, information regarding particular corporate operations (such as, for example, acquisitions and/or divestments), lists of clients and contracts, data regarding market shares, agreements made with suppliers, documents, data and/or information concerning the know-how and the organization of the company, as well as all internal documents or any other data considered confidential for the purpose of protecting the company's business interests. In the same way, consultants and associates shall refrain from any conduct or declaration that might in any way damage the company's reputation.

The use of any data, document and/or information which is not public (to which one is privy by virtue of the position held or because in a business relationship with RM) to buy or sell stocks or shares of companies or, in any way, derive personal or third party gain is expressly forbidden.

In addition, any information which RM possesses and the data acquired and handled by the personnel and by the consultants by virtues of their jobs, also from specific data banks, must be handled in accordance with the rules set down in the internal procedures, always respecting the regulations in force regarding confidentiality and personal data protection, and with the purpose of preventing the company from being accused of unlawful appropriation and use of such information.



6. Directors and Auditors

The Directors and Auditors of the company are expected to fulfill their duties with diligence, in a professional and independent way, in compliance with the provisions of the Civil Code and the principles set down in this Code of Ethics.

7. Human Resources

a) Employment contracts

The employment contracts that the company establishes shall be governed by the principles of mutual respect, fairness and meritocracy.

Hierarchical power shall be exercised with full respect for the rights of the employees, with objectivity and fairness. In the same measure, the employees shall perform their jobs in a spirit of maximum collaboration following the directives of the Management and those of their supervisors and fulfilling their duties with utmost diligence and care, in accordance with Art. 2104 of the Civil Code.

The Personnel has an obligation to remain faithful to the company and shall not agree to be employed by others, nor undertake a collaborative relationship with third parties unless previously authorized to do so and, in any case, cannot carry out any activity contrary to the interests of the company or incompatible with the duties of his or her position within the company.

The documents, the tools, the machinery, the equipment and any other good, whether material or immaterial, that is the property of the company shall be used exclusively for the purposes designated by the company and according to the instructions imparted by the company, especially with regards to the work safety regulations.

b) Restriction against the Acceptance of Gifts, Benefits or Undue Compensation

Employees are not authorized to offer, accept or promise, for themselves or for others, any form of gift, payment, benefit or service, of any kind, even those not of an economic nature, which are intended to influence or, in any case, to result in special treatment or favors of a personal nature when fulfilling one's normal duties.

Should a member of the company receive – even without his or her own volition – promises of gifts and/or other benefits from third parties, he or she must inform the Personnel Manager immediately as well as the Surveillance Committee.

c) Conflict of Interest

The Personnel cannot pursue interests which are

in conflict, even potentially or partially, with those of the Company, nor can they carry out related activities, directly or indirectly, which can contrast, in any way, with the activities and the interests of the Company.

d) Protection of Workers' Health and Safety

The Company considers protecting the health and safety of the workers a fundamental aspect of its organization and it actively promotes this policy with regards to every employee, recognizing the central role the contribution of each individual worker plays in "creating safety" and the importance of involving all those concerned in a cooperative effort.

The Company pursues a policy of continuous improvement in safety inside the company which goes beyond the mere compliance with legislative directives, and aims at reducing to a minimum the number of accidents and risk situations, to the greatest possible extent given the state of the art and current technological developments.

The Company is aware of the particularities of its productive processes which are inherently dangerous and present significant risk potentials. For this reason, it is believed that only a continuous examination of the machinery and the methods of work, together with an on-going process of training, education, information, and awareness-building, can provide the conditions necessary to maintain and improve the present level of safety.

8. Relations with the Public Administration

a) General Principles

Business negotiations and relations with the Public Administration, employees of the public sector, managers and officials who act on behalf of the Public Administration or of other organizations in the public sector, including the Supervisory Authority, and, in any case, with institutional representatives, both Italian and foreign (hereinafter "Public Institutions") shall be conducted in compliance with the law and respecting the principles of honesty, correctness, transparency and traceability.

The Company condemns any form of corruption, extortion or conflict of interest and shall adopt every measure necessary to prevent and avoid any such event. In particular, with regards to representatives, managers, officials or employees of Public Institutions, Italian or foreign, the following are expressly forbidden:

- Seeking or establishing personally advantageous relations, exercising inappropriate influence or undue interference in an effort to condition, directly or indirectly, the decisions of the other party, including



those of the individuals who act on behalf of the Public Institutions, and/or the development of a correct relationship;

- Any conduct which seeks to create job opportunities or other forms of collaboration and/or commercial possibilities and any other activity which could lead to personal benefits for a representative of the public sector, whether in Italy or abroad;
- Offers or promises of money, goods or other benefits (of any kind or by any method) to representatives, managers, officials or employees of the public sector, or to their relatives, whether Italian or foreign, even indirectly and/or through another party, unless the gift, good or other benefit is of modest value and appropriate, within the limits of what is deemed acceptable under the applicable laws and in the social and legal context in question, and providing that such gifts, goods, or other benefits cannot be construed as intended to procure favors;
- Offers or acceptance of any valuable object, service, or favor intended to obtain or grant more favorable treatment with regards to any relationship undertaken with the public sector;
- Acts meant to solicit or obtain from the public sector classified information not available by legal means.

Should anyone acting in any capacity, during the course of executing work or completing duties on behalf of the Company, receive requests or propositions, whether explicit or implicit, that person is required to inform immediately his or her supervisor or superior or the Board of Directors, as well as the Supervisory Body, and to suspend all relations with the third party in question, until specific instructions are received.

b) Contracts with the Public Administration for the Supply of Goods and/or Services

In all cases, the acquisition of orders or the awarding of contracts and, in general, the participation in bid contests in the public sector must occur in accordance with the provisions of law and the Company's internal procedures and, in any case, always according to correct business practices, which include the principles of economy and fair competition. Making demands of the public sector customer is strictly forbidden unless the demands are legitimate and in compliance with the contracts stipulated or the relations in force.

In conducting any sort of negotiation Ring Mill shall avoid situations in which the subjects involved in the operations and transactions are or might appear to be in a situation of conflict of interest. An employee or anyone acting on behalf of Ring Mill is required to immediately inform his or her supervisor or the person to whom he or she reports if he or she should find there is a conflict of interest (even potential) which could, in any

way, affect, or even appear to affect, the relations with the Public Administration.

In the case in which, in relations with the public sector, the Company is represented by an outside firm, such as a consulting firm, its personnel must adhere to the principles and limitations included in this Code of Ethics. In this case, the same regulations will apply which are valid for all those to whom this Code of Ethics and the Organizational and Management Model are addressed.

In no case whatsoever, shall the Company be represented in relations with the Public Administration by a consultant or other third party if, in so doing, a situation of conflict of interest is created.

c) Management of Grants, Subsidies and Financing from Public Administrations

Grants, subsidies or financing from the Italian government, from other public institutions or from the European Community must be used exclusively for the purposes and according to the modalities specified in the agreements.

Using these funds for other purposes or in other ways is strictly forbidden; utilizing or presenting false documents or declarations or which certify facts that are untrue is also strictly forbidden, as is omitting requested information or creating artifices or subterfuges in order to be awarded grants, subsidies, financing, facilitations, funding or to derive undue gain of any kind at the expense of the government or the public institutions.

All facts described, declarations made or documents presented in conjunction with a request to obtain the above-mentioned types of funding must be correct, truthful, accurate and complete.

d) Financing and Sponsoring

The sponsoring of events, demonstrations, meetings or other initiatives of the same kind, promoted by Public Institutions or, privately, by organizations that represent Public Institutions and/or their family members, is permitted only if in compliance with the Law and the principles of fairness, correctness and transparent honesty outlined in this Code of Ethics. Also, and in any case, there cannot be any possibility of misconstruing or misinterpreting the motives for such sponsoring or for seeing it as a means to gain favors, nor can it violate any of the rules of behavior included in this Code of Ethics. The same principles apply to any purchases or support for initiatives of a charitable nature, whatever formula is used.

Financial support for political parties, individual candidates, associations, committees, organizations or public institutions must be given in accordance with the Law and with complete transparency, following the Company's applicable internal procedures.



In any case, for each expenditure or financial operation made for the reasons outlined under this heading an adequate explanation and detailed information must be provided.

9. Relations with Private Parties

Relations with third parties (customers, contractors, credit institutions, suppliers, consultants and external experts) must be governed by the principles of fairness, correctness, transparency and efficiency, in a spirit of mutual cooperation.

Relations with customers and with contractors and suppliers must be carried out with strict observance of the specific applicable internal procedures. The principles and the rules of behavior which apply to relations with the Public Institutions are also applicable in the case of relations with private parties, particularly with regard to the procurement of goods and services and the selection of these commercial partners.

- distributes to all those who entertain relations with RM the principles included in the Code of Ethics and in the Organizational and Management Model, asking that they be respected in the course of their work. For this purpose, in the contract documents reference should be made expressly to the Code of Ethics and to the Organizational and Management Model adopted by RM;
- ensures a suitable continuous training and awareness-building program on the aspects of the Code of Ethics and the Organizational and Management Model which concern the individual roles and responsibilities of the persons in question;
- establishes a Supervisory Board (ODV) with independent powers of initiative and control, assigning it the task of overseeing and supervising the implementation and observance of the Organizational and Management Model as well as its adequacy and effectiveness within the context of the Company;
- adopts an adequate Disciplinary System to deal with failures to observe this Code of Ethics and the Organizational and Management Model.

10. Final Requirements

a) Adoption and Entry into Force

The Code of Ethics shall enter into force at the date of its approval by the Board of Directors.

b) Up-dating

This Code of Ethics can be modified, added to, or updated at any time by the Board of Directors, with the prior approval of the Supervisory Board.

c) Vigilance, Violations, Sanctions

- In order to put into effect the principles inspiring this Code of Ethics and to guarantee adherence to them, RM:
- adopts specific methods to check that managers and employees act in accordance with the provisions of the laws in force, the internal regulations, this Code of Ethics and the Organizational and Management Model;
- ensures that all those working with RM are aware of the statutory regulations and the rules of behavior and procedures to be respected in order to guarantee that the company's activities are carried out in accordance with the ethical principles described in this Code of Ethics and with the procedures defined in the Organizational and Management Model;

