

**IVECO – OTO MELARA
SOCIETA' CONSORTILE A
RESPONSABILITA' LIMITATA**

Code of Ethics

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DEFINITIONS

- “Code of Conduct” / “Code”: code of ethics adopted by IVECO - OTO MELARA S.c.r.l.
- “CIO” : IVECO – OTO MELARA S.c.r.l.
- Consortium Companies / Partners : Iveco SpA and Oto Melara SpA
- Consortium Company: CIO
- Employees: executives and employees of the Partners, regardless of their level, who provide their services for activities operated by the Consortium Company and employees of the Consortium Company itself

INTRODUCTION

On behalf of the partners, CIO wishes to create a top-flight industrial center for research, technological innovation, development, production, and post-sales support at the national and international level in the terrestrial defense and security vehicles sector (tanks, armored employees carriers, other tracked vehicles, such as combat vehicles, combat troop carriers, and derivative families of vehicles, other wheeled vehicles such as armored and armed cars and derivative families, as well as equipment and devices, including simulation systems mounted on the aforementioned vehicles), availing itself of the services offered by its partners and – in regard to tracked or wheeled vehicles and/or terrestrial vehicle armament systems and associated subgroups – the collaboration of qualified firms in the various sectors involved, and also operating under license.

So that relations within the CIO and with the external environment can develop properly, it is necessary that the recipients of this Code of Ethics, in other words the employees, collaborators, professionals, and any other person that maintains stable business relationships with CIO, offer their collaboration with responsibility, competence, fairness, and honesty, in respect of their functions and the responsibilities of others in order to achieve the best result in the final interest of the Consortium Company and Partners.

When conducting its own business and pursuing this result, CIO demands fairness, transparency, and honesty in internal and external relations on the part of all persons who collaborate with the Consortium Company.

CIO does not establish or pursue business relationships with anyone who expressly refuses to comply with the Code.

1. GENERAL PRINCIPLES

a. Scope

The Code of Ethics is a document approved by the Board of Directors of CIO. It defines the values, principles, and rules of conduct that its employees, internal and external collaborators must adhere to in the course of their work.

The members of the Board of Directors adhere to the values and principles set forth in this Code.

The Code is a fundamental tool for monitoring economic, financial, and social relationships, devoting special attention to conflicts of interest and relations with competitors, customers, suppliers, and government agencies.

b. Ethical principles

The Code of Ethics aims to promote moral values as well as improve its economic efficiency in intercompany relations and relations outside the company (business and the market), in order to encourage coherent conduct and economic benefits based on consolidation of a positive business reputation.

All employees must act faithfully, impartially, diligently, and fairly, aware of the delicacy and importance of the activity performed. The purpose of such conduct is to protect the wellbeing and moral integrity of the Company and the Partners of CIO.

All actions, operations, transactions, and conduct in general by employees in the course of performing their assigned duties must be characterized by the highest standards of fairness, transparency, and objectivity.

All business activities must be conducted with the highest standards of diligence, honesty, collaboration, fairness, fidelity, moral integrity, and professional rigor, in compliance with the law, procedures, and company regulations, and in compliance with the Code of Ethics.

c. Management responsible for implementing the Code of Conduct

For thorough compliance with and interpretation of the Code, employees may contact not only their own direct superiors, but also the officers of CIO – the Board of Directors, the Board of Statutory Auditors, Chairman, and Vice Chairman.

2. CONDUCT AT THE WORKPLACE

a. Information channels and work environment

The ethical and moral values described above must represent a constant, systematic duty of the operating conduct of every single employee of the Partners and CIO.

Furthermore, their conduct must be above all reproach within the sphere of their specific responsibilities, constantly promoting the spirit of collaboration, trust, mutual respect, cohesion, and group effort in view of protecting and improving the corporate climate, image, and prestige of CIO.

b. Confidentiality of information

The information, data, and knowledge that are acquired, processed, and handled by CIO employees and collaborators in the course of their work must remain strictly confidential and be adequately protected. They may not be used,

communicated, or disclosed either inside or outside CIO, unless otherwise required by current law and company procedures.

The confidential information that must be codified as exclusive property of CIO consists of the following:

- business, strategic, economic and financial, accounting, commercial, management, and operating plans;
- projects and investments;
- company performance and productivity benchmarks;
- corporate agreements, accords, commercial contracts, and corporate documents;
- know-how related to the activity of CIO;
- processes and patents;
- corporate manuals, with indication of the ban on reproduction;
- the data bases referring to suppliers, customers, and employees of the Consortium Companies that operate on behalf of CIO.

Employees must assure that these data and information are processed with the greatest care and confidentiality, avoiding any conduct with colleagues and third parties that might disclose CIO proprietary information that has not yet been rendered public.

c. Protection and use of company assets

The company assets of CIO include physical tangible assets, such as computers, printers, equipment, furniture, and furnishings, and intangible assets such as confidential information, know-how, and technical knowledge developed and disseminated inside CIO.

The protection and maintenance of these assets represent a fundamental value for protecting consortium interests. Employees shall take care (in the course of performing their corporate duties) not only to protect these assets, but also prevent their fraudulent or improper use. Use of these assets must be functional to and exclusively for performance of the activities of CIO.

d. Registration and disclosure of information

When performing their work and duties, employees must register, process, disclose, and disseminate data, information, and knowledge that is valid, accurate, precise, and complete, while not giving wrong impressions, providing biased and untrue information.

The accounting and financial records of CIO must be kept in accordance with these values, reflecting exactly what is described in the supporting documents.

The accounting records, economic, and financial information may not be transmitted or disclosed to third parties without authorization by the department in charge.

When they learn of possible omissions, falsifications, or alterations of accounting records and/or related documents, employees must promptly inform their direct supervisor and the officers of CIO, in other words, the board of directors, board of statutory auditors, chairman, and vice chairman.

e. Internal controls

All activities and actions performed and carried out within the scope of CIO must be legitimate, verifiable, in compliance with the law and procedures, and based on the validity, reliability, completeness, and fairness of the information.

In case of irrefutable fraud, theft, omissions, falsifications, alterations, improper use of confidential information, fraudulent conversion of the tangible and intangible assets of the company, and other illegal acts, CIO shall take disciplinary actions as necessary and possibly, according to the gravity of the infractions committed, and start a legal action against the person involved.

3. CONDUCT IN BUSINESS AFFAIRS

a. General rules

In business relationships with third parties, employees are required to behave ethically and in compliance with the law, at the highest standards of transparency, clarity, fairness, efficiency, and impartiality, as defined by the standards of the Code of Ethics.

Employees are obligated to maintain rigorous respect of professional secrets and all other confidentiality obligations connected with their positions and duties.

In commercial or promotional relationships, illegal and collusive conduct, illegal payments, attempted bribery and favoritism, direct solicitations or solicitations made through third parties for personal benefits and jobs for themselves or others in violation of the law, regulations, and standards set forth in this Code of Ethics are forbidden. Within the scope of their own duties, employees are required to provide clear and complete disclosures on the obligations, restrictions, and compliance with the law and ethical standards that directly regard their activity.

b. Fair conduct in business affairs

In their business dealings with third parties, employees must behave in compliance with principles of fairness.

These principles are valid for the customers, suppliers, consultants, and persons that perform any activity directly for CIO or on behalf of it. In particular, the selection of suppliers and formulation of the conditions of goods and services for CIO is dictated by values and parameters of competitiveness, objectivity, fairness, impartiality, price, quality of the good and service, service warranties, and a careful and exact assessment of the bid in general.

Undue pressure is prohibited in the choice of suppliers, such as would favor one supplier over another and undermine the credibility and confidence that the market places in CIO regarding the transparency and rigorous application of the law and procedures of CIO.

In relationships with customers, suppliers, or third parties, no offers of money or gratuities aimed at obtaining real or apparent advantages of various sorts (e.g. economic advantages, favors, recommendations) are allowed. In any event, acts of commercial courtesy must never be committed in circumstances that could generate suspicions of illegality.

The acquisition of information regarding third parties that comes from a public or private source through entities and/or specialized organizations must be carried out with legitimate means in compliance with applicable laws (e.g. privacy laws).

c. Relations with public and private institutions

Management of relations with public institutions that are necessary for development of CIO programs is the exclusive responsibility of the departments of the consortium companies delegated to handle them.

These relations must be based on the highest standards of transparency, clarity, and fairness, and must not induce the private and public institutions with which CIO maintains relations to arrive at partial, distorted, ambiguous, or misleading interpretations.

The CIO may not make direct or indirect contributions in any form or use funds and financing to support public officials and politicians, unless this is allowed and envisaged by applicable laws and regulations.

d. Relations with the mass media

Communications by CIO towards the external environment must be true, clear, transparent, unambiguous and not instrumental. They must be consistent,

homogeneous, and accurate, in accordance with consortium policies and programs.

Employees must not issue formal or informal communications outside CIO without prior authorization by the department in charge.

e. Gifts and gratuities

CIO prohibits all those who operate on its behalf and in its name and/or on behalf of the Consortium Company to accept, offer, and/or promise, directly or indirectly, money, gifts, goods, services, gratuities, or favors that are not owed in connection with relationships maintained with public officials, representatives of public entities, or private parties, in order to influence their decisions, in view of more favorable treatment, wrongful services, or for any other purpose.

Any requests or offers of money or favors of any kind (e.g. gifts whose value exceeds a modest amount) that are made wrongfully to or by those who are acting on behalf of the Consortium in relations with public agencies (either Italian or foreign entities) or private parties (Italian or foreign) must be immediately brought to the attention of the company department responsible for taking consequent measures.

In business relationships with customers and suppliers, gifts, benefits (both direct and indirect), presents, acts of courtesy and hospitality are prohibited, unless they are of a nature and value that will not compromise the image of the company and cannot be interpreted as aimed to obtain favorable treatment not depending on market rules. Employees who receive gifts or favorable treatment by customers or suppliers that go beyond the ordinary standards of courtesy must immediately notify their superior, who shall immediately notify the specific bodies and/or responsible company department. After conducting an investigation as necessary, the latter shall manage communications with external parties and inform the author of the gift or present of applicable company policy.

f. Compliance with the law

In the scope of its institutional activities, CIO is committed to preventing risks and guaranteeing the safety and health of its employees. In compliance with antitrust laws that prohibit the creation of monopolistic, cartel, and other agreements that interfere with the mechanisms regulating competition, employees must avoid making either formal or informal agreements with other entities in order to influence fair competition amongst the various operators on the market.

4. CONFLICTS OF INTEREST

a. General principles

CIO's relationship with its employees is based on trust and fidelity. When performing their activities, employees must pursue the objectives and general interests of CIO, avoiding situations or activities that might conflict with these principles.

b. External work activity

When performing their work, employees must devote maximum attention and dedicate maximum commitment to compliance with the instructions given.

Employees may not:

- perform work on behalf of competitors;
- become a consultant, member of the board of directors or board of statutory auditors of a competitor, or provide professional services on behalf of organizations that compete with CIO;
- use company property or provide services that CIO offers to its own customers at work or during their free time without being authorized in advance by the department in charge or their direct superior;
- represent, act, and work on behalf of a supplier or customer of CIO;
- accept and/or receive money or other favors for advice or services rendered in connection with their normal activity.

c. Work time and corporate assets

During their work shifts, employees may not engage in other activities that are not consistent with their organizational duties and responsibilities. The use of company property, such as spaces, equipment, and the confidential information of CIO, is not permitted for the personal use and interest of the Consortium Companies of any kind.

The primary duty of CIO employees is to use company property and their work skills to realize the company interest.

Employees must devote maximum attention and prudence when expressing opinions and comments on publicly and/or socially relevant issues that might directly or indirectly damage the interests, prestige, and image of CIO and the Partners.

d. Personal economic interests

The directors, employees, and various collaborators that work on behalf of CIO must avoid all situations and refrain from all activities that might oppose a personal interest to those of the company or that might interfere with or impede their ability to take impartial and objective decisions on behalf of the company. Conflicts of interest not only violate the law and principles set forth in the Code of Ethics, but also prejudice the image and integrity of the company.

e. Use of internal information

In the normal course of performing their company duties, employees may acquire confidential information owned by CIO, as described in the preceding sections.

Use of this information for personal, private, or economic purposes is not only morally and ethically improper, but also violates applicable laws and is thus prosecutable.

5. COMPANY SANCTIONS

CIO will inform its Partners of conduct by their employees who operate on behalf of CIO that is not appropriate and in compliance with the values and principles set forth in the Code of Ethics, according to the gravity of the infractions committed and conduct engaged in, reserving the right to take all measures to protect its own interests in compliance with applicable laws.

When CIO finds that its own employees have violated this code, it will consider the fiduciary relationship between the company and the employee to have been violated.

It will consequently levy penalties consistent with the employment agreement and applicable laws, according to the gravity of the violation.

6. EFFECTIVE DATE

This Consortium Company Code of Ethics came into effect on 27 December 2006, in force of the Board of Directors's decision.

THE CHAIRMAN

Dr. Roberto Cibrario Assereto

THE VICE CHAIRMAN

Mr. Carlo Alberto Iardella