



Code of Business Conduct



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Preamble

Fluorsid is a world leading manufacturer of inorganic fluorochemicals.

Fluorsid's mission is to constantly target the highest level of product quality and, contemporaneously, to give special attention to its ethical and social responsibilities, to the safety and environmental impacts of its business. The Code of Business Conduct defines all the values and strict principles which the Company shall apply and observe in order to reach its objectives.

This Code is an abstract of the original Italian version of "Codice Etico", which is attached to the Organization, Management and Control Model (hereinafter referred to as the "*Model 231*") adopted by Fluorsid, according to the Italian provision on the "administrative liability of legal entities deriving from crimes" contained in Legislative Decree n. 231 dated June 8, 2001.

The principles contained in this Code of Business Conduct provide a guide on the minimum standards of business practices that employees and stakeholders of Fluorsid, shall apply within their activities and responsibilities, in full compliance with the law and the Company's policy, with honesty, integrity, transparency, fairness and good faith, and respecting the legitimate interests of customers, suppliers, employees, commercial and financial partners.

Fluorsid's management shall assure that each business decision is taken in the interest of the Company and shall avoid any situation of conflict of interest between personal or family business activities and positions held that compromise their independence of decision and choice.

Addressees

This Code of Business Conduct (hereinafter referred to as the "*Code*") shall apply to the Company's corporate bodies and to their members, to employees and temporary staff, to consultants and other external staff, to agents, attorneys and generally any other person who may act in the name and on behalf of Fluorsid S.p.A. (hereinafter referred to as the "*Company*") as well as customers, suppliers, financial institutions, commercial partners (hereinafter referred to as the "*Addressees*").

When conducting business, all Addressees shall apply the principles of this Code and ensure the respect of ethical values which are universally recognized such as transparency of action, fairness, integrity, loyalty, honesty, impartiality, health and safety.

1 General principles of the Code

The Code is a collection of principles and guidelines conceived to inspire Company's activities and to direct the behaviour not only of its employees but also of all those who come into contact with the Company in the course of business, with the aim of ensuring that the Company is not only run efficiently and reliably but also ethically.

Based on the strong belief that business ethics is at the core of the company's business success, the present Code constitutes an essential part of the organisational structure and of the control mechanisms within the Company.

The Company recognises as a fundamental principle the compliance with laws and regulation and undertakes that Addressees are inspired by and comply with the principles of integrity, loyalty and transparency, legality, impartiality and fairness, correctness in management activity and co-operation with stakeholders.

Based on the those ethical values, the Company undertakes to compete in the market, improving the level of satisfaction of its clients, adding value for its stakeholders and increasing the professional growth of its human resources. In particular, the conviction of acting in the interests of the Company does not justify the adoption of behaviour in conflict with the above-mentioned principles. All those who work for the Company, with no distinction or exception, are therefore bound, within their respective functions and responsibilities, to comply and to make others comply with these principles.

1.1 Integrity

Addressees shall commit themselves to act within fairness, transparency and mutual respect. The Company respects the mental, physical and cultural integrity of individuals, guaranteeing working conditions which safeguard human dignity and offer safe hygienic working environments.

1.2 Loyalty and transparency

Addressees undertake to communicate true, transparent and accurate information to all interlocutors. All Manager and Directors set all the other Addressees a good example for integrity, transparency and loyalty and they discourage behaviours adverse to the Company's ethical values.

1.3 Legality

Addressees shall properly act in strict compliance with the national and international laws and regulations as well as in accordance with the present Code and with Company's procedures.

1.4 Impartiality and equal opportunities

Addressees operate in order to ensure the full respect of personnel features and differences avoiding discrimination based on age, health, sex, religion, race, nationality, political and cultural opinions, personal and social conditions. Addressees avoid external or internal recommendations or suggestions, making sure to guarantee equity and impartiality.

2 Ethics in business activities

The overall philosophy of the Company is to have business relations only with companies or subjects which exercise lawful activities and to conduct business on the highest ethical level applying the principles of honesty, fairness and personal integrity. Therefore, Addressees must respect the following behaviour principles in their business activities:

2.1 Relations with customers

Addressees supply customers within efficiency and high quality products and services, in full respect of current market rules and regulations. The main scope of relations with clients shall be the fulfilment of their requirements, in order to create a solid relationship which reflects the general principles of correctness, honesty, professionalism, transparency, legality and impartiality.

Any contract or communication with clients shall be based on criteria of simplicity, clarity and completeness, avoiding any misleading or erroneous information. Company members shall not promise or offer payments or goods of any kind in order to promote or illicitly favour the interests of the Company. In any case customers satisfaction cannot justify an illicit or not honest conduct.

2.2 Relations with suppliers and subcontractors

Addressees undertake to look for suppliers and subcontractors with suitable professionalism and are committed to share the principles and contents of the present Code. Choice of suppliers shall be made objectively on a transparent criteria and shall be based on total value, which shall include considerations such as delivery, environmental factors, freight costs, prices, quality, safety, services, technical support, terms and conditions, according to principles of transparency and correctness in line with internal procedures. All suppliers shall be treated identically and their selection shall not favour anyone of them.

Contracts or agreements with suppliers or subcontractors shall be based on criteria of simplicity, clarity and completeness in relation to settlements, terms and conditions; furthermore they state the Code acknowledgement and the obligation to comply with its principles. The remuneration to be paid shall be exclusively proportionate to the

services to be rendered and described in the contract and payments shall not be allowed to any part different from the contract parties. Illicit commercial practises as well as offer payment of sums for illicit purpose of influencing any action or decision of any subjects, obtaining or maintaining commercial businesses are strictly forbidden.

Furthermore, it is forbidden to accept money from individuals or companies that have or intend to have business relations with the Company. Anyone who receives proposals of gifts or hospitality treatment that cannot be considered as commercial courtesy of small value shall reject them and immediately inform their hierarchical superior.

2.3 Relations with Shareholders

The Company recognises the importance to enhance Shareholder's investments by means of an industrial policy that will ensure adequate financial returns, by optimising available resources and increasing competitiveness. Addressees are committed to guarantee equal conditions to all its Shareholders by avoiding preferential behaviour and by giving them timely information concerning events or decisions which could affect their investments.

2.4 Accounting transparency

Each Addressee, within their areas of responsibility, shall cooperate in order to guarantee that all operations and transactions are properly recorded and accounted for and reflecting supporting documentation which must be complete, transparent, truthful, accurate and valid. Company's Balance Sheet and any other type of accounting documentation must comply with current regulations and drafted in line with the best accounting standards and internal procedures.

It is forbidden to behave in a way that may adversely affect transparency and traceability of the information within financial statements and to transmit wrong or erroneous information to the Authorities. All those finding omissions, forgeries or negligence concerning information and supporting documentation must report the facts to their superior, if employees, or to the internal referee if third parties.

2.5 Protection of company's assets

All Addressees, especially the employees, are personally responsible for safeguard and preservation of Company's assets and promote their efficient use in line with legitimate business purposes.

It is prohibited, except for those transactions expressly permitted by law, to return contributions, in any form, to shareholders or to release the shareholders from their obligations to make those contributions; to distribute profits which may not be effectively in place or which are destined by law to reserve funds.

3 Ethics in work environment and human resources

3.1 Relations with human resources

The Company acknowledges the centrality of its human resources as a critical factor for successful competition in the market and it recognizes the importance of establishing and maintaining relationships based on honesty, professionalism, loyalty and mutual respect, favouring their professional growth.

The selection process shall be carried out objectively and without any kind of discrimination or facilitation. Addressees operate in order to ensure that human resources are selected based on competences and objective valuations and they are consistent with the Company's effective needs.

Company's personnel are hired by means of valid contracts of employment, in compliance with the law, collective contracts and current regulation. Company does not allow or tolerate the establishment of working relationships, even by outside collaborators, suppliers or trading partners, that are in breach of current legislation on the subject of minors, women or immigrant workers.

Addressees undertake to create and maintain all the necessary conditions for ensuring that equal opportunities are granted to all employees, making sure that each of them receives a fair statutory and wage treatment exclusively based on merit and expertise, without discrimination of any kind. Any behaviours constituting physical or moral violence are forbidden without any exception.

Employees and collaborators shall act in order to represent the style of behaviour of the Company in the best way possible and reinforce its reputation. They are responsible to ensure that the ethical and behavioural directions and the Company operating procedures are applied.

3.1.1 Privacy protection

The Company, in compliance with current legislation, is committed to processing and to protecting information and individual privacy in relation to employees and more in general to whoever may interact with the Company and to avoiding improper use of any such information.

3.1.2 Conflict of interest

Company's management and employees shall take any task on behalf of the Company and shall avoid any situation or activities, which may involve a conflict between a personal interest and the interest of the Company or which may interfere with their ability to fully comply with their functions and responsibilities. Any situation that may

create a conflict of interest shall be immediately reported to one's superior within management, or to the body one belongs to.

3.2 Health, safety, work environment and public safety protection

Company's main objectives are health and safety of people, safety in workplace and environmental safety. These priorities motivate all actions undertaken by Company's management in order to guarantee the absolute compliance of workplaces with the highest standards of safety and hygiene.

The Company promotes and consolidates a safety and security culture, to protect the environment and in particular way the health and safety of anyone in the workplace, developing an awareness of risks and promoting responsible behaviour by all employees and/or collaborators.

Addressees shall, within their areas of responsibility, actively participate in the process of risk prevention as well as environmental, public safety and health protection for themselves, their colleagues and third parties.

The Company undertakes to plan prevention in terms of technical issues, work organisation, working conditions, social relations, environment factors and consequentially avoid the related risks. For these reasons, the Company provides to supply adequate instructions to all people concerned to that they perform their activities in the best safety working conditions.

4 Ethics in external relations

4.1 Relations with Public Entities

Relations between the Company and Public Entities, including public officers or other public service representatives, shall be based on the most rigorous observance of law and of any regulations in force and shall never compromise the integrity and reputation of the Company.

Assumption of obligations and management of relations with Public Administration shall be exclusively handled by individuals properly authorised to do so, in line with the Special Part “A” of the Model 231, and in respect of legality, fairness, transparency, traceability, cooperation and not-interference. The Company shall not authorise payments made in cash nor other forms of remuneration, whether direct or through intermediaries, to public servants, with the aim to influence the carrying out of their duties.

4.2 Relations with political organisations and trade-unions

The Company refrains from providing any direct or indirect contributions in any form to political parties, movements, committees, political organizations and trade-unions, to their representatives and candidates, except those specifically contemplated by applicable laws and regulations. In order to ensure the maximum possible transparency, all contacts with institutional counterparties is conducted exclusively by subjects duly authorised to do so.

4.3 Gifts and benefits

Gifts and benefits, favours or behaviour toward government representatives, public officials, public employees or to members of their family, which are not based on the principles of transparency, are strictly forbidden. It is prohibited to pay or offer, directly or indirectly, money and material benefits and other advantages of any kind to third parties in order to influence or remunerate the actions of their office. Commercial courtesy, such as small gifts or forms of hospitality, is only allowed when its value is small and it does not compromise the integrity and reputation of either parts, and cannot be used with the aim to obtaining undue advantages. In any case, these expenses must be authorized by the designated managers and be accompanied by appropriate documentation.

Addressees shall properly inform all third parties about the commitments and obligations provided for in the Code, require them to respect the principles of the Code relevant to their activities and take proper internal and external actions in the event that they should fail to comply with the Code.

5 Application of the Code

5.1 Breaches of the Code and Sanctions

The Company assigns the task of supervising the Model 231 to the Compliance Board (Organismo di Vigilanza) which has independent powers of initiative and control and operates with impartiality, authority, continuity, professionalism and independence. The Compliance Board has the task of promoting the implementation or the update of the present Code and of the entire Model 231 and of investigating any violation by initiating proper inquiry procedures.

Employees, temporary staff, suppliers or subcontractors shall consider the observance of the Code's principles and contents as an essential part of their contractual obligations. Therefore, violation of these rules shall entail the consequences foreseen by law, including legal consequences, termination of the contractual relationship and compensation for damages. Breaches of the present Code by Directors and Auditors, shall entail the consequences foreseen by the Board of Directors or by the Board of Statutory Auditors, including the dismissal of the person involved.

Sanctions shall be imposed in accordance with the current rules and regulations concerning the business activities and proportionately to the gravity of the violation, to the event's frequency and to the degree of negligence involved.

5.2 Final provisions

The present Code of Business Conduct has been approved by the Company's Board of Directors. Any amendment shall be duly approved by the Company's Board of Directors prior consultation with the Company's Compliance Board.

Application and compliance of the Code shall be monitored by the Compliance Board which ensures that the Code is well known and understood by all Addressees. Any violation of the Code shall be communicated to the Compliance Board at the e-mail address odv@fluorsid.com for examination and, in case, for any necessary measure. This document is available on the web site www.fluorsid.com.
