



Italdesign-Giugiaro S.p.A.

Code of Ethics

The Code of Ethics has been translated into the English language from the Original issued in Italian. In the event of discrepancy, the Original shall prevail.

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I. Reach and Sphere of Application

The mission of Italdesign-Giugiaro S.p.A. (hereinafter, also, “Italdesign” or the "Company") is to provide a broad array of services ringed around the production of new vehicles and industrial products, which range from styling research to engineering, and from validation to prototyping.

The purpose of this Code of Ethics (hereinafter also the "Code") is to define a formal set of values and the general principles of best practice and conduct, relevant thereto for the purposes of sound functioning, reliability, compliance with laws and regulations and, not least, the reputation of the Company.

The Company is committed to promote dissemination and compliance with the Code’s principles, ingraining the rules of conduct set out therein with which everyone in Italdesign-Giugiaro S.p.A. - all of its employees regardless of function or qualification, team members, trainees, employees of other Volkswagen/Audi Group companies (hereinafter, also, the "Group") who work, permanently or temporarily, with Italdesign-Giugiaro S.p.A., directors, statutory auditors, proxies or attorneys-at-law, consultants, agents, suppliers, contractors and whoever operates in the name of and on behalf of Italdesign-Giugiaro S.p.A. (i.e. the Code Addressees) – are expected to comply.

Addressees are required to be familiar with the contents of this Code, understand its meaning and, where applicable, ask for clarification of any part of it, as set forth herein under section "Modalities of Implementation".

The Company undertakes to inform all those who in various ways are subject to the rules of the Code or in respect of whom the Company has an interest on the directives and underlying principles.

The Code of Ethics also forms an integral part of the Company’s Organisational, Management & Control Model as required under s.6 of Legislative Decree 231/2001 covering the “Governance of the administrative liability of legal persons”.

2. Principles of conduct in Company Management

2.1 Fairness and Honesty

Italdesign-Giugiaro S.p.A. aspires to the principles of honesty and fairness in conducting its business. All those who perform directly or indirectly any activity for the Company or on its behalf, are bound to abide by those principles.

In particular, the Addressees are required to acknowledge and scrupulously abide by the following core rules of conduct whereby:

- fraudulent practices or behaviour, acts of corruption, favouritism and, more generally, any other form of conduct contrary to the law, the industry sector regulations, the internal regulations and whatever contemplated by this Code are prohibited;
- giving or receiving of gifts, for any reason whatever, as might be interpreted as stretching beyond generally accepted commercial practice or courtesy, or which, to all intents and purposes, might be interpreted as being designed to attain favourable treatment for oneself or in the course of activities associable to the Company are prohibited.

Those forms of conduct are prohibited and will be punished severely regardless of whether they were carried out or attempted to be carried out, either directly or otherwise, so as to attain some form of benefit for oneself, for others or for the Company.

2.2 Impartiality and Equal Opportunities

In everything it does, Italdesign avoids any form of discrimination based on age, gender, sexual orientation, health condition, race, nationality, political opinions or religious in the belief that every employee should be treated with the same respect and dignity.

2.3 Compliance with the Law

Italdesign-Giugiaro S.p.A. considers compliance with the law and regulations as a core value in carrying out all aspects of its business. Accordingly, each Addressee must perform his/her tasks in full compliance with applicable laws and regulations.



The Company will not enter into or continue in any business relationship with whosoever intends not to adopt and abide by that principle. This is also true, even more so, for those forms of negligent, malicious or unlawful conduct which, when adopted, could generate a benefit, interest or advantage for the Company. Any form of conduct that might be construed as relevant to any criminal offence is prohibited, particularly where contemplated by LD 231/2001, as subsequently amended and integrated.

2.4 Compliance with Company Regulations

Italdesign-Giugiaro S.p.A. provides and makes available, within its organization, company regulations, coherent with the applicable regulations defined at the Group level, in full compliance with workers' rights, prevailing legislation and benchmark collective agreement. Each employee must document him/herself and abide by the directives applicable to his/her tasks and duties.

2.5 Transparency and Accuracy of Company Information and Disclosures

Every transaction or deal must be properly recorded, authorized, verifiable, legitimate, consistent and congruent. If an Addressee becomes aware of any omission, falsification or inaccuracy in the accounting entries or in the records to which this can be retraced, he/she shall inform promptly the Oversight Board.

The financial statements and any other company communication or disclosure to shareholders or unrelated parties must assure that, when taken as a whole, the information and disclosures included therein regarding the state of the Company's affairs, financial performance and financial condition are true, complete and accurate.

In particular, each Addressee contributing to the preparation of such information or disclosure must:

- a) make sure that operating events are properly and promptly reflected in the accounts;
- b) ensure:
 - availability of adequate supporting documentary evidence for the individual transactions, so as enable ease of accounting entry, identification of the diverse levels of responsibility and accurate reconstruction;



- maximum cooperation;
- completeness and transparency of the information furnished;
- accuracy of the data and related processing;
- correctness of the information produced and furnished.

In defining and managing extraordinary transactions and in processing operating, performance and financial positions extraordinary in nature, Italdesign undertakes to abide by the principle of protecting the integrity of its assets by way of guarantee for creditors.

2.6 Protecting the Company Assets

Every Addressee is required to use the company assets assigned to him/he with diligence, behaving responsibly and protecting those assets. The company assets must be used in an appropriate manner and in the company interest, avoiding any improper use thereof by third parties.

Computer-system platforms and databanks must be used in compliance with prevailing legislation and based upon the principles of honesty and integrity. To that end, every Addressee is responsible for the proper use of the computer-system resources assigned to him/her as so he/she and for the related system-access codes thereof. Logging abusively into IT computer-system platforms protected by safety measures is forbidden as is procuring abusively or disseminating abusively computer-system access codes and tampering with computer programs, information or data.

2.7 Protecting the Workplace

The Company undertakes to comply with and have its suppliers comply with prevailing labour legislation, with a keen eye steered toward the requirements of the law on health and safety in the workplace.

Italdesign-Giugiaro S.p.A. encourages its team members to be responsible in conduct and provides appropriate tools to prevent workplace accidents and to protect the health of personnel.

By way of ensuring a healthy and safe workplace, the Company aspires to the following criteria and guiding principles:



- a) avoid risks;
- b) assess unavoidable risks;
- c) tailor the work to the individual, especially in terms of workstation, equipment and working method in order to mitigate monotony and repetitive work and to reduce the effects of these on health;
- d) adapt to technical evolution;
- e) replace the dangerous with the non-dangerous or the least dangerous;
- f) develop a consistent and all-inclusive prevention policy, which covers such areas technology, organisation of work, working conditions, corporate social responsibility and the factors affecting the workplace;
- g) prioritise collective protective measures over personal protective measures;
- h) give appropriate instructions to workers.

2.8 Protecting the Environment

Italdesign encourages its team members to be responsible in conduct in managing environmental aspects. The Company manages its activities in such a way as to ensure compliance with environmental laws and regulations. Seeking out advantages for the Company, whether these give rise or might give rise to intentional or negligent infringement, of environmental laws and regulation, is never justified.

2.9 Managing Personal Data Protection

Italdesign-Giugiaro S.p.A. warrants that the sensitive and personal data in its possession relating to its team members, business partners, customers and suppliers will be handled in full compliance with applicable privacy and personal data protection laws and regulations; to this end, the Company has put in place appropriate measures to protect personal data confidentiality and proper handling.

The Company assures the maximum protection of the data in its possession and these will be used to the extent, and only to the extent, envisaged by prevailing legislation.

Italdesign warrants that all the information not of public domain regarding the Company, or regarding other parties, of which an Addressee becomes aware by virtue of his/her function



or, in any case, by virtue of the relationship with Italdesign-Giugiaro S.p.A., shall be deemed to confidential and shall be used solely in the performance of his/her work activity. The utmost diligence therefore must be adopted to avoid such information being used to promote or favour his/her interests or the interests of others. Also imposed on Addressees is the obligation not to reveal to third parties, unless the related divulgation thereof has been authorized by the Company or foreseen by laws or regulations, the information acquired or made known to them in performance of their activity.

2.10 Gifts

As part of business relations with third parties, and for the purposes of ensuring proper business conduct, the Company forbids its employees to receive or offer benefits (whether directly or indirectly), gifts, acts of courtesy or entertainment, which are of such nature and worth as to be able to be interpreted as designed toward obtaining a treatment of favour and, in any event, not in line with generally accepted business courtesy practices. Gifts may be received exclusively at the Company's headquarters.

2.11 Conflict of Interests

Italdesign-Giugiaro S.p.A. undertakes to avoid any situation of conflict of interests in accordance with the applicable provisions of law. All the team members are required to avoid instances of personal gain linked to performance of their work activities.

Any situation that constitutes or might constitute for an Addressee a conflict of interest must be reported immediately to the Compliance Officer.

Examples of these, but not limited thereto, are set out below:

- holding without authorisation professional appointments outside the company;
- conducting personal business during working hours;
- using company assets for personal needs;
- owning shareholdings in companies that have professional relationships with Italdesign-Giugiaro S.p.A. without the Compliance Officer being informed;
- performing activities or services for businesses that have professional relationships with Italdesign-Giugiaro S.p.A. without the Compliance Officer being informed;



- performing activities or services for businesses that compete with Italdesign-Giugiaro S.p.A. without the Compliance Officer being informed.

3. Relations with so-called “Stakeholders”

A Stakeholder is “any individual, or group of individuals who can affect or be affected by the actions of the business in terms of products, policy and manufacturing processes” (E. Freeman, 1984); accordingly, deemed to be Stakeholders can be customers, suppliers, Shareholders, employees, team members, and public or private entities and, more generally, all those engaging in relations with Italdesign-Giugiaro S.p.A.

All Addressees of this Code are required to put in place also with regard to relations with Stakeholders, best practice lines of conduct that abide by the principles of business management principles referred to earlier, keeping an impeccable standard of conduct, respectful of the Company’s inspiring general principles and values.

3.1 Customers

Italdesign recognizes that its prime priority is to achieve the highest level of customer satisfaction at all times.

In order to provide a service that meets the needs and demands of Customers, it is essential everyone does everything to the best of their ability, maintaining always an honest, cooperative and respectful relationship, in the one and only design to heighten Customer satisfaction.

Accordingly, the individual team member shall orientate their line of conduct to reflect certain fundamental rules of conduct, such as:

- always be polite, willing and courteous;
- anticipate ways in which to provide an adequate level of information and support that assures feed-back minimum timelines and use the communications channels made available (phone, mail, e-mail, fax);
- be easy to reach;



- maintain a problem-solving approach;
- when in doubt, always act according to the defined general principles, values and guidelines.

3.2 Suppliers

Italdesign-Giugiaro S.p.A. selects suppliers through the use of documentable and objective criteria of competitiveness and quality to meet the principles underlying this Code of Ethics and, in general, safeguarding the principles of free competition.

In dealing with suppliers and business partners, the team members involved must exert loyalty, transparency and honesty all of which, moreover, in full compliance with the principles underlying this Code of Ethics. The Company also expects its suppliers to act in abundance of fair competition.

3.3 Team Members

Italdesign-Giugiaro S.p.A. recognises the importance and value of its team members, which include: employees, temporary staff and trainees.

Team members represent an essential and invaluable asset to our Company; the Company is wholly aware that, without them, it would have been neither possible to reach nor possible to build on the results of excellence that make the Company a standout in its market of reference.

This is why Italdesign-Giugiaro S.p.A. undertakes to:

- maintain within the organisational structure a climate conducive the human and professional growth of its team members;
- respect the dignity, professionalism, health and safety of its team members;
- act in full compliance with prevailing legislation, the National Collective Agreement and the Supplementary Company Participation Agreement;
- enhance the value of Personnel and promote their professional development and formation, assuring a climate of development, innovation and change;
- create and maintain an environment where team members can develop creative-thinking, learning, and innovation;



- further a workplace characterised by open dialogue and reciprocal communication.

Italdesign-Giugiaro S.p.A. believes that the quality of relations between its team member represents an invaluable value. As a consequence, the Company asks everyone working in its premises to contribute toward to retaining the highest levels of cooperation and communication between the diverse functions, with the mutual goal being company success, whilst maintaining the specific qualities of the tasks and objectives assigned to each role.

Team Members must act in a way that respects the dignity, professionalism, health and safety of their colleagues; each team member must also pay attention to their personal appearance and attire, both on the jobs or otherwise, so that it is appropriate to their professional role and responsibilities. More particularly, no team member shall adopt any form of conduct detrimental to the image and reputation of Italdesign.

For any matters not expressly governed by this Code, team members must comply scrupulously with the obligations under the applicable law, the National Collective Agreement in metalworking industry, as reported and described in the section “Obligations of personnel and disciplinary measures”.

3.4 Institutions and Public Administration

Italdesign-Giugiaro S.p.A. maintains relations with Institutions and Public Administration, perceived as public servants (public officials or persons in charge of a public service) under the principles of accuracy and transparency by way of assuring unequivocal conduct that cannot be interpreted by the parties involved as ambiguous or contrary to prevailing legislation.

As must be dealt with by and, and only by, the functions and employees specifically delegated to do so, relations with Institutions and Public Administration are inspired by the principle of transparency and impartiality.

More specifically:

- a) employees are prohibited from offering money or gifts to any Public Administration officers, officials or employees, or to their relatives, be they Italian or foreign, unless the gifts or gadgets are modest in value;

- b) unlawful payments made directly by Italian entities or their employees and unlawful payments made through persons acting on their account, whether in Italy or abroad;
- c) employees are prohibited from offering or accepting any good, service or favour of value in exchange for a more favourable treatment in any relationship whatever held with the Public Administration;
- d) during business negotiation, requests or relationships with the Public Administration, company personnel must never attempt to influence inappropriately the counterpart's decisions, including the decisions of officials who deal with or make decisions on behalf of the Public Administration;
- e) in the specific instance of a Public Administration tender or bid, employees must abide by the law and commercial best practices;
- f) if the Company uses a consultant or other "third party" to represent it before the Public Administration, the mandate governing the relations between the parties must provide for the same directives applied to the consultant and his/her personnel or to the "third party" being extended to the public entity's employees;
- g) the Company must not be represented by a consultant or other "third party" in relations with the Public Administration whenever this creates conflicts of interest;
- h) during business negotiation, requests or relationships with the Public Administration, the following actions (whether effectuated directly or indirectly) are prohibited: examining or offering employment opportunities and/or commercial proposals from which the Public Administration might derive personal advantage; requesting or attaining confidential information that might compromise the integrity or the reputation of both parties.

The foregoing list has been presented by way of mere example and should not be deemed to be exhaustive. Where not included in the foregoing list, reference should be to the principles underlying this Code.



3.5 Labour Unions and political organisations

Italdesign-Giugiaro S.p.A. undertakes to maintain a consistent relationship with Union Representatives based on the principles of fairness and transparency, as part of the legislative provisions and those set forth in the National Collective Agreement.

Outside of this framework, the Company will not support or finance directly or indirectly individuals, organizations, events or initiatives having the nature of union or political propaganda, with the exception of trade associations.

3.6 Media relations

Italdesign-Giugiaro S.p.A. respects and observes the principles of free expression of opinion and the principles concerning the right to information and recognizes the importance played by the mass media as a tool for disseminating information to the Society in general.

To this end, all relations with accredited press and news agencies will be inspired by full compliance with the right of information under the principles of timeliness, clarity, accuracy and transparency and, in all cases whatever, without compromising the confidential nature of certain items of company information.

Media relations must be managed exclusively those delegated to do so, i.e. the PR Function. Addressees must abide by the said procedures and shall not disclose information to the Press unless delegated by the Company to do so.

Without prejudice to the foregoing, all the team members, in observance of the procedures (extant) and in accordance with their respective business role, assume full responsibility for the information transmitted to external interlocutors.

3.7 Schools and Universities

The Company also strives to reinforce the link between the academic world and the business work by partnering with the institutions designed to educate and train young people.



3.8 The Community

Italdesign-Giugiaro S.p.A. and its employees are committed to corporate social responsibility, respecting the inescapable values of a 'clean' environment a healthy and safe workplace.

Addressees shall abide by the requirements of law and collective labour and provident contracts, having particular regard to compliance with those relating to child and forced labour and, not least, workplace health, hygiene and safety.

In conformity with the fundamental International Labour Organisation (I.L.O.) Conventions, Italdesign-Giugiaro does not employ any child labour, namely, it does not employ people younger than the permissible age for working established prevailing legislation.

4. Implementation Modalities

4.1 Oversight Board

As part of the organizational system and the controls currently prevailing, the Oversight Board will be responsible for overseeing interpretation of the Code's fundamental principles and the proper application thereof and compliance therewith.

4.2 Access to the Code of Ethics

The Code of Ethics, as may be subsequently amended or integrated, can be found on the Company's internet site and in the Company's intranet; printed copies of the Code of Ethics are available at the Personnel Office.

Furthermore, the Company carries out specific learning and formation activities using appropriate instruments to inform the Addressees of the Code and all the other employees whatever potentially subject to the Code or whosoever the Company requires to be aware of the contents of the Code.



4.3 Reporting violations

Whosoever becomes aware of any conduct that might be deemed to represent a violation to the Code's rules, he/she is required to report such conduct to the Oversight Board. The reports, which shall be deemed to confidential, should be mailed to:

Oversight Board

Italdesign-Giugiaro S.p.A.

25 Via A. Grandi

10024 Moncalieri (Torino, Italy)

or e-mailed to:

odv@italdesign.it

If in good faith, whosoever reports a violation to the Code of Ethics shall be held harmless from any form of repercussion.

4.4 Sanctions

If violations to the rules, principles or values expressed in the Code occur, Italdesign will adopt sanction measures proportionate to the seriousness of the facts, the recurrence of the failing, the intensity of the wilful misconduct or the degree of fault.

The disciplinary measures can be pronounced by i) the Personnel Office for employees of the Company ii) the Executive Committee whenever this involves persons with managerial or atypical roles; iii) the Legal Department whenever this involves persons linked to the Company exclusively by contractual relationships.

The Oversight Board, the Compliance Officer or the Personnel Office can express their opinion or require adoption of the sanction measures as provided for by prevailing legislation, by the National Collective Agreement and in line with the company regulations and, in particular, with the provisions of Chapter II of the General Section ("Disciplinary System") of the Organisational, Management & Control Model.

Infringement of this Code's norms can result in the infliction of several kinds of sanctions depending upon who committed the violation: the measures envisaged range from simple admonition to revocation of mandate for cause for the directors, the proxy-holders and the statutory auditors, whilst the sanction measures envisaged by the applicable National



Collective agreements are applied in respect of employees. Having regard to the other addressees of the Code, violation of the provisions included therein result in the adoption of disciplinary measures such as termination for cause of addressee contracts outstanding (without prejudice to compensation, if any, of damages and adoption of further measures to protect the interests of the Company).

4.5 Amendments and addenda

The Board of Directors of Italdesign-Giugiaro S.p.A. reserves the right to amend or integrate this Code of Ethics, giving prompt communication thereof.

Approved by the Board of Directors in the session held on 10.10.2012.