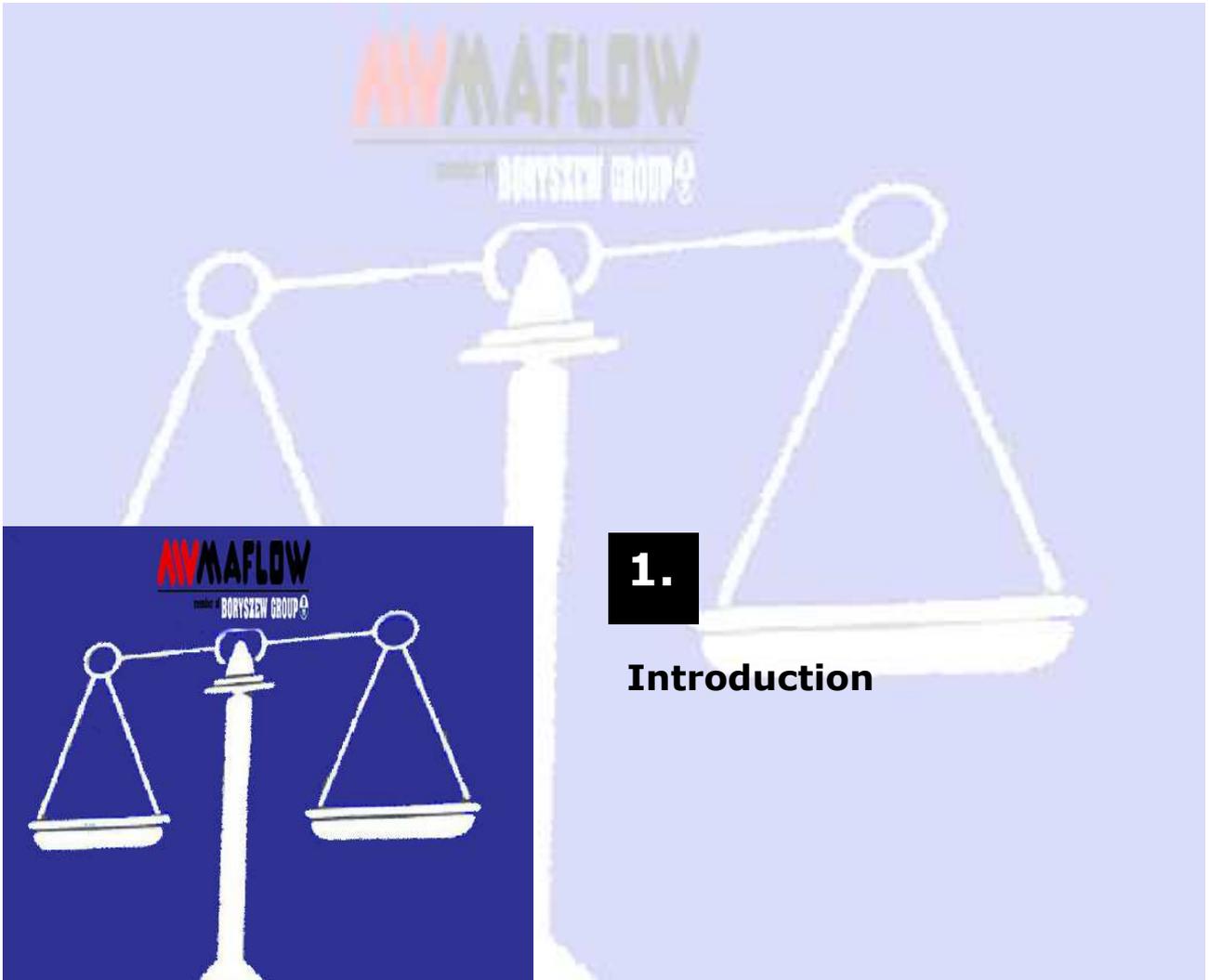


Code of ethic

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1.

Introduction

1. INTRODUCTION.

The Code of Ethics in business matters – hereinafter referred as the “Code” – define the tasks and the ethical responsibilities undertaken by the Maflow Boryszew Group (MBS Group) – hereinafter referred to the “Group” – and by all the companies of the Group Managing Directors, management, employees, collaborators, businesses and corporate activities.

1.1. MBS Group mission.

The MBS Group mission is to be recognizable as a world class leader in rubber hoses supplies and comprehensive solutions for liquids and gases transportation for passenger and commercial vehicles, playing a relevant role towards the market, the economic development and the community welfare in order to create value for the shareholders, customer satisfaction and collaborators professional growth.

Therefore, the MBS Group’s goal is getting back the leader position on the European market and developing in emerging markets in the area of automotive systems to convey liquids and gases.

1.2. Code of Ethics target.

Due to the complexity of the situations which the MBS Group plays in, it is important to define clearly and unambiguously the whole value the MBS Group recognises, accepts and shares, and the whole responsibility that the Group is going to adopt inside and outside.

Therefore, the MBS Group Directors has adopted this Code of Ethics, whose observance by its addressees is fundamental for the Group well-working, reliability and name, elements which represent corporate success decisive property.

The aim of the Code is to instil correctness, equity, integrity, loyalty and professional rigour into operations, conduct and ways of working both in relationships inside the Group and with external parties, focusing attention in complying with the laws and regulations of the countries where the Group is active, as well as with corporate procedures.

This ethical orientation (transparency, loyalty and honesty in its internal and external conduct) is a prerequisite for consolidating the Group’s credibility vis-à-vis investors/shareholders; clients and civil and business community as a whole, with a view to transforming the knowledge and appreciation of the Group’s conduct and practice into a competitive edge.

The MBS Group Directors is adopting the Code in order to ratify and support the ethics and transparency aforementioned principles.

Each employee is expected to have a full knowledge of the Code and to contribute actively to its implementation and report any shortcomings.

MBS Group undertakes to facilitate and promote knowledge of the Code its employees and to accept their constructive contribution to the Code's contents. Any behaviour violating the letter and the spirit of the Code will be punished according to the rules herein defined.

Any updates, amendments or additions to the present Code of Ethics must be approved by the MBS Group Directors.

The Code shall be brought to the attentions of every person or entity having business relations with the Group.

1.3. Code's recipients and application circle.

The present Code of Ethics extends to all the Group's companies, and it binds, as a consequence, without any exception, all its employees and those who, directly or indirectly, firmly or temporarily, build the Group terms and relationships or work to reach the targets – hereinafter referred as "Collaborators".

Maflow Group expects its suppliers to comply with national laws and regulations and with international conventions concerning social and working conditions, child and forced labour and the protection of the environment. Suppliers have also to respect fundamental human rights and to treat their workforce fairly and with respect. Maflow will visit its suppliers and verify their compliance with the aforementioned principles.

1.4. Code's contractual value.

Group employees must consider compliance with the Code's rules to be an essential part of their contractual obligations pursuant to and by virtue of the internal national labour regulations currently in force in each country.

Infringement of the Code's rules will constitute a breach of the employment relationships primary obligations and will results in disciplinary action – that could place the employment relationship itself at risk – as well as the legal consequences that this implies and may lead to liability for any related damages incurred.

1.5. Disciplinary sanctions.

Mistakes in the company are accepted; we expect our employees not to hide their mistakes but to communicate them to their managers and to proactively act to solve any disputes and behaviours that are not compliant with this Code.

Often, an employee may find himself in a situation where the choice that he/she may face are difficult to make, and many decisions can fall into a grey area. Situations where integrity is questioned are usually emotional and personal, and remaining objective can be difficult. The best thing to do is to speak up. Bring your concerns into the open. Ask yourself:

- Is it legal?
- Does it follow Maflow corporate principles?
- How would you feel if the decision were made public?
- What would I recommend to a friend in a similar situation?

To ensure that the Code is effective and violation of any of the code shall be a matter of concern, it is important to set up a system of sanctions for the violations of the rules of conduct.

The application of disciplinary sanctions is separate from any criminal offence committed, as the rules of conduct laid down in the Code are drawn up by the company in a particular manner. Consequently, reference will be made to the existing system of sanctions as laid down in the Collective Labour Agreements (if existing) or International Labour Codes, with particular reference to the following:

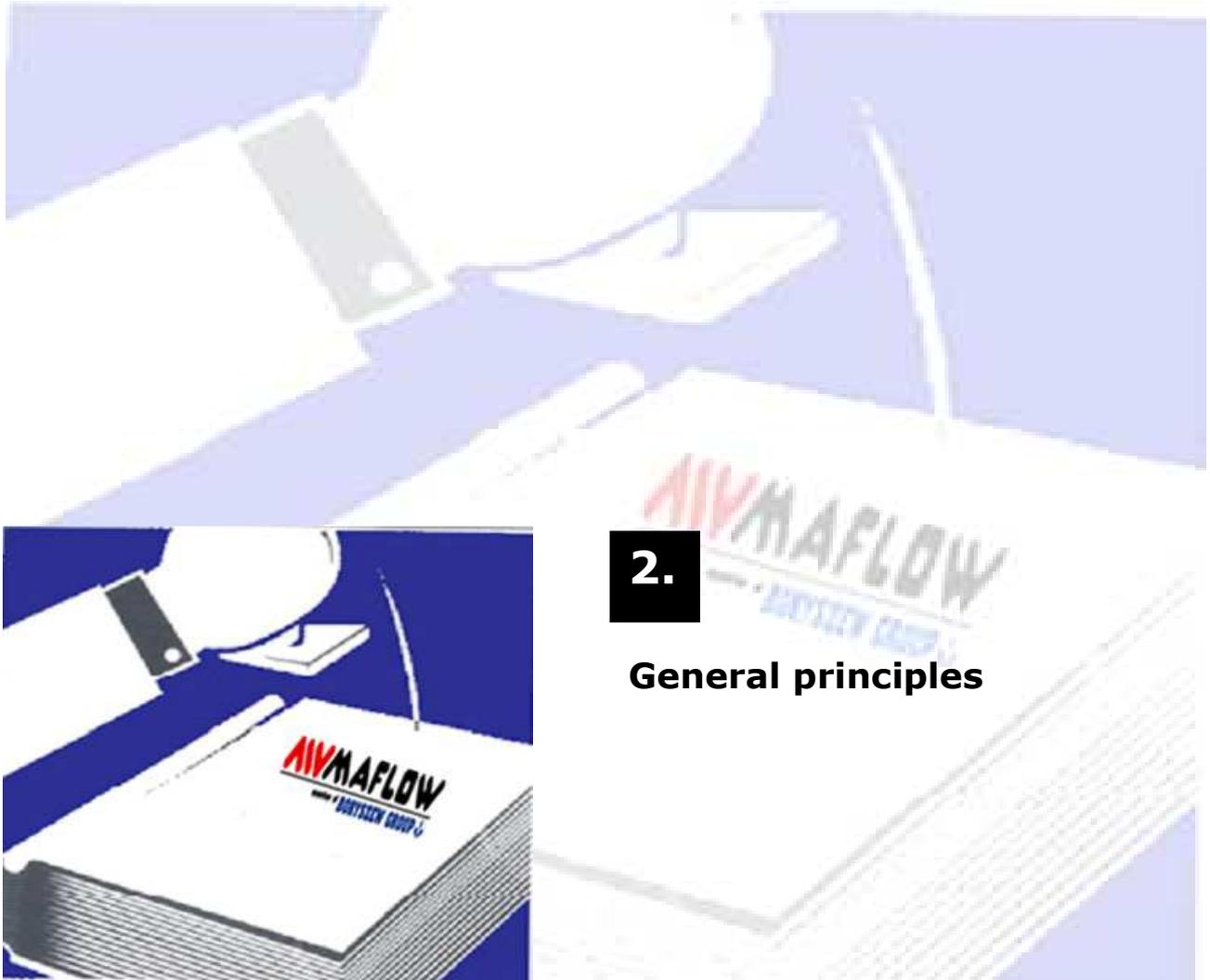
- VERBAL OR WRITTEN WARNINGS;
- FINES;
- SUSPENSION FROM SERVICE AND SALARY;
- PUNITIVE TRANSFER OR DISMISSAL WITH COMPENSATION IN LIEU OF NOTICE OR WITH NOTICE AND WITH SEVERANCE PAYMENTS;
- DISMISSAL WITHOUT NOTICE OR SEVERANCE PAYMENTS.

In the event that managers violate the internal procedures laid down in the Code or have a behaviour not in line with that required in carrying out operations in the areas at risk, the measures laid down in the International Labour Codes will be applied.

In the event of violation of the Code by directors of the Group, the entire board of directors will be informed, who will take the necessary initiatives on the basis of the regulations in force.

Finally, any behaviour on the part of independent contributors or partners in opposition with the behaviour guidelines set out in the Code could led to the termination of the contract, while the company will reserve the right to claim compensations for damages that it may have suffered as a consequence of the behaviour.





2.

General principles

2. GENERAL PRINCIPLES.

All the level relationships and behaviours must be characterized by honesty, correctness, integrity, transparency and each other respect, be opened to control and based on correct and complete news.

Tolerance zero again corruption. Maflow Group is absolutely determined to achieve and maintain the highest ethical standards in all its business activities. Maflow Group does not tolerate any kind of immoral business practices, outlawing any kind of corruption, bribery and unfair benefit reception.

The Group's companies want from their employees, during working-time, irreprehensible ethical behaviour which shall be legally and professionally correct, in order to instil trust and to enforce their image also inside the Group.

All employees are expected to:

- Know the regulations contained in the Code and the relevant rules governing activities performed in their respective functions.
- Operate with honesty and integrity in relationship between themselves, with the Group's companies, with shareholders, with competitors, with customers, and in general with third parts as Public institutions or private subjects.
- To comply the legal rules of the laws currently in force and in which operate the Group's companies;
- To avoid situations and activities leading to a conflict interests with their companies, and with the Group's companies, in any case behaviours which can damage the image of the Group.

The Group keeps a trusting and fair each other relationship with its employees. So, the loyalty task requires each employee not to:

- Undertake employments with a third part, consult assignments or other responsibilities for third parts, without the belonging Group's company previous written authorization;
- Act, in any case, against the corporate interests or inconsistent with job tasks assignments.

Finally, all the employees must consider the respect of the Code rules as an essential part of the contractual tasks within the trusting and fair relationship. The Recipients, developing their assignments, are committed to respect the environmental defence and protection current law, and develop the management of their tasks focused on the correct use of the resources and gradually reduce the generation of waste and improve its impact on the environment.

The recipients must be aware of the existence of control procedures and be conscious of their contribution to reach the corporate targets and the efficiency. The responsibility of creating an effective internal control system is common to all the operational levels; consequently all the employees, within their assignments, are responsible of the definition, application and correct working of all concerning to their operational area controls.

Every kind of act or operation made by the Recipients will be based on an adequate documentation and reasonably verifiable.

The information to be found in the periodical "reports" and/or both in the general and analytical accountancy must be related to the accounting principles of transparency, correctness, completeness and accuracy.

The Recipients who know of omissions, falsifications or negligence on the information and on the supporting documentation must report everything to their superior, if he/she is an employee, or to the internal reporting, if he/she is an external person.

Each manager shall:

- Act in a way that shall serve as an example of good conduct to his or her subordinates;
- Encourage employees to respect the Code;
- As far as possible, try to select employees and external collaborators in such a way that will prevent assignments being given to persons who cannot be relied upon to implement the Code;
- Immediately report the discovery of any possible deviations from the Code to a senior Manager or to the Guarantor;
- Immediately take corrective measures whenever necessary;
- Prevent any kind of retaliation.





3.

**Protection of the
dignity, health, safety
and integrity of the
human resources**

3. PROTECTION OF THE DIGNITY, HEALTH, SAFETY AND INTEGRITY OF HUMAN RESOURCES.

3.1. Safeguarding of impartiality in the management of human resources.

Human resources are basic components in the company's life. The dedication and professionalism of employees provide fundamental values and conditions for reaching Group's objectives.

The Group is committed to developing the abilities and skills of each employee so that his/her energy and creativity can have full expression for the fulfilment of their potential.

The Group encourages and rewards creative contributions and employees' effective collaboration.

The Group offers equal opportunities to all its employees, making sure that each of them receives fair treatment based on merit, without discrimination of any kind.

Therefore all departments shall:

- Adopt criteria of merit, ability and professionalism in all decisions concerning employees;
- Select, hire, train, compensate and manage employees without discrimination of any kind;
- Create a working environment where personal characteristics do not give rise to discrimination.

Maflow Group do not tolerate – in every aspect of employment, from recruitment and hiring to training, advancement and termination – any kind of discrimination based on race, colour, sex, national origin, age, religion, political opinion, marital status, sexual orientation, disability, creed, nationality, union membership or any factors prohibited by applicable law. Any kind of harassment is unacceptable and will not be tolerated. Harassment must be reported to the Company and will be investigated and corrected in a timely manner.

3.2. Protection of employees' safety, health and integrity.

The Group is committed to spreading and consolidating "safety culture", making aware of risks, encouraging responsible conduct by all staff members, and working to preserve – all above by means of preventive action – worker's health and safety.

The Group's activities must take place in full compliance with current regulations concerning prevention and protection.

Operational management must be based on advanced standards of environmental protection and energy efficiency, aiming to improve on-the-job health and safety conditions.

The Group is also committed to implement working conditions that protect each worker's psychophysical integrity and respect his/her intrinsic personality, preventing illicit attempts to condition the latter or generate undue unease to the same.

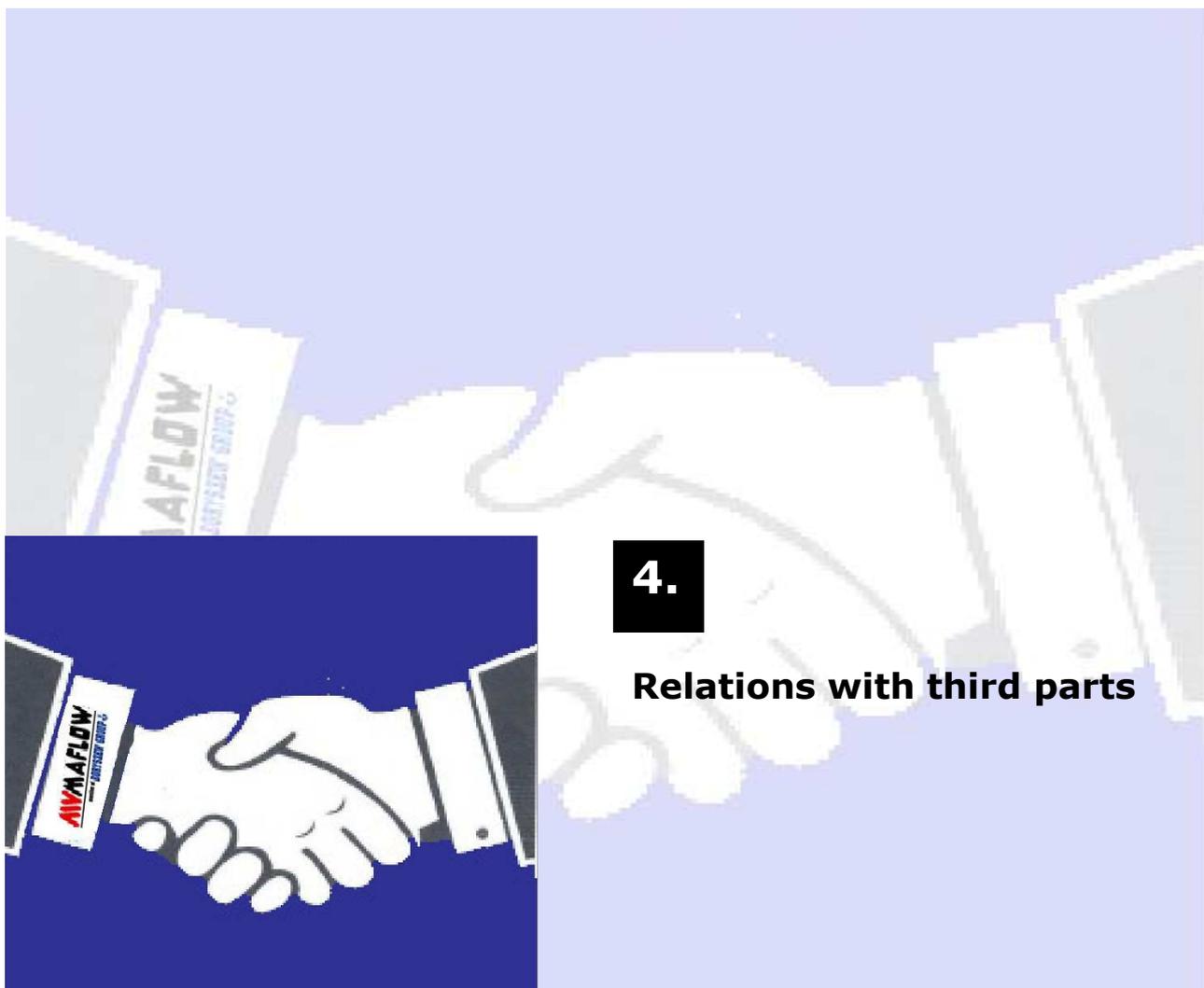
The Group is committed to ensuring that remuneration and total number of hours worked is at least equal to the minimum amount mandated by law or as set forth in the relevant collective bargaining agreements.

Any kind of child or forced labour is strictly prohibited.

The Group therefore combats any conduct or attitude that discriminates or is detrimental to the individual or his/her beliefs and preferences.

Any infringement of the provisions made in this section must be notified to the Guarantor of Code Application immediately.





4.

Relations with third parts



4. RELATIONS WITH THIRD PARTS.

Any activities under taken by the employee should reflect honesty, royalty, trustworthiness, fairness, concern for others and accountability. Any act that involves theft, fraud, embezzlement, or misappropriation of any property is strictly prohibited.

4.1. Political and trade- union organisations.

- The Group gives no contributions, directly or indirectly, to political parts, movements and committees or to political and trade-union organisations or their representatives.
- The Group shall not compensate employees making such contributions for personal reasons and shall submit any employees who promise to make or who make contributions at the Company's expense, to disciplinary measures. Any payments shall be reimbursed by the employees concerned.
- The employees must recognize that any form of involvement in political activities take place on a personal basis, in their own free time, at their own expense, and in compliance with the laws currently in force
- Maflow respects and supports the freedom of Association of employees and the right to collective bargaining. The Group is committed to protect union members and leaders and to abstaining from all forms of anti-union discrimination.

4.2. Public institutions.

- The relationships with public institutions, necessary for development of the Group's corporate programs, are the exclusive prerogative of the corporate functions delegated to this end.
- Gifts for the representatives of Governments, governmental agents and employees shall be allowed only when of symbolic value.
- Making bribes, kickbacks or other improper payments to government officials, civil servants, or anyone else to influence them is strictly prohibited.

4.3. Mass media.

- The relationships between companies and mass media concern to suitably appointed corporate functions and must be taken in compliance with those chosen by the MBS Group communication policy.
- The attendance in the name or in the agency of the company to any kind of committee or association, which could be scientific, cultural or trading, must be regularly written authorized and made official, in compliance with the procedures.

- The provided information and the communications should be truthful, complete, careful, clear and homogenous.

4.4. Antitrust and regulatory bodies.

- MBS Group gives full and meticulous observance of the antitrust rules and of the market Authorities regulations. The Group's companies must communicate to the MBS Group Legal all the undertaken related to the antitrust enterprises.
- The Legal Responsible provides the guidelines in the antitrust policy matter to all the companies and provides the necessary support to the management.
- MBS Group does not deny, hide or delay any information requested by the antitrust Authority and other regulatory bodies within their inspection assignments, and actively cooperates during the preliminary procedures.
- In order to guarantee the best transparency, MBS Group undertakes not to be in situations of conflict of interests with any Authority employees of their relatives.

4.5. Customers.

The Group pursues its business on markets by offering quality products and services under competitive conditions while respecting the rules protecting fair competition.

The Group knows that the valuation of those requesting products or services is vital for success in business. Therefore, Group's employees shall:

- Follow international procedures concerning selection and relations with customers;
- Provide, with courtesy and efficiency and within the limits set in the contracts, high quality products that can meet or exceed customers' reasonable expectations and needs;
- Provide sufficient and accurate information about its products and services so that customers can take reasoned decisions;
- Be truthful in all advertising and communications.

4.6. Suppliers.

In case of offers and contracts for the supply of goods and services, Group's employees shall:

- Follow internal procedures concerning selection and relationships with suppliers;

- Abstain from excluding suppliers that have the proper requirements to bid for Group's orders, by adopting appropriate and objective selection methods, based on established and transparent criteria;
- Secure the cooperation of suppliers in guaranteeing the continuous satisfaction of Group's in terms of quality, costs and delivery times, to the extent expected by customers.





5.

**Conduct in the
management of business
matters**

5. CONDUCT IN THE MANAGEMENT OF BUSINESS MATTERS.

Conduct in the management of business matters:

- The individual and collective conduct of employees- in respect of the performance of their duties – must meet the Company and Group strategies and must result into cooperation, social responsibility and compliance with domestic and international laws, in the pursuit of the Company’s business goals and activities.
- Employees must avoid situations and activities conducive to a interests conflict between their personal business and their position in the Company.
- In dealings with customers, suppliers and third parts in general, offers of money or presents aiming to obtain real or apparent advantages of any type whatsoever are not allowed. No exceptions to this rule are countenanced, not even in those counties where the offer of valuable gifts to commercial partners is considered part of normal practice.
In any case, acts of commercial courtesy must never be performed in circumstances that may give rise to suspicions of conduct conflicting with the underlying principles of this Code. Employees offered gifts that cannot be attributed to normal and correct relations of business courtesy must immediately inform their superiors and the Guarantor of Code Application and decline the gift.
- During their working hours employees cannot perform activities that are not consistent with their organisational tasks and responsibilities. Each employee is directly and personally responsible for the protection and preservation of the tangible and intangible assets, and of the resources – human, tangible or intangible- entrusted to him/her for the performance of his/her tasks, as well as for their use in an appropriate manner consistent with the corporate interests. The employees are not allowed to use corporate assets such as, for example, premises, equipment and confidential information of Group companies, for any type of personal use and interests.





6.

Treatment of confidential and price-sensitive information

6. TREATMENT OF CONFIDENTIAL AND PRICE-SENSITIVE INFORMATION.

6.1. Treatment of confidential information.

- The information and other materials received by the Group's employees in connection with their work shall remain the Group's property. The information may also regard the Group's present and future activities, including unpublished news, information and announcements, even if schedule for disclosure in the forthcoming future.
- At this point it is necessary to bring the figure of the "insider" up, who is defined as a person with access to any privileged information relating to the Group, by the virtue of his/her position, profession or office and, in particular, in connection with his/her attendance of decision-making processes. Among the so-called "primary" insiders, the following are of particular importance:
 - shareholders
 - directors
 - auditors
 - the general manager
 - all employees
- The Group's employees cannot operate such information to their own advantage, or to that of their relatives, acquaintances and third parts in general (the so-called "secondary" insiders). Therefore, employees must be particularly careful not to disclose privileged information and, in any case, to avoid the improper use of privileged information.
- As an example - not exhaustive - information is considered to be confidential if it concerns: models, designs or sketches concerning the articles marketed and/or produced under brands belonging directly or indirectly to the Group; operational projects - including marketing, operational, industrial and strategic plans; data concerning know-how and technological processes; financial transactions, operational strategies, investment and divestiture strategies, operating results; employees' personal data and lists of customers and external staff; and information concerning present and future activities, including news that has not yet been disclosed even if it will be the subject of forthcoming public announcements.
- Processing of personal data of Group's employees, define as "any information relating to an identified or identifiable natural person" must be in compliance with the European data protection rules (Directive 95/45/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data) and with the corresponding internal data protection laws in force developed by the each of EU member states.
- The administrative sanctions and penalties in compliance with the above law and also disciplinary sanctions referring to national labour legislation and to rules for the protection of corporate assets apply to the transgressors.

6.2. Treatment of "price sensitive" information.

Within confidential information, price-sensitive information - defined as news on facts of not public dominion that, if made public, could significantly affect the price of the financial instrument issued by MBS Group- is particularly important.

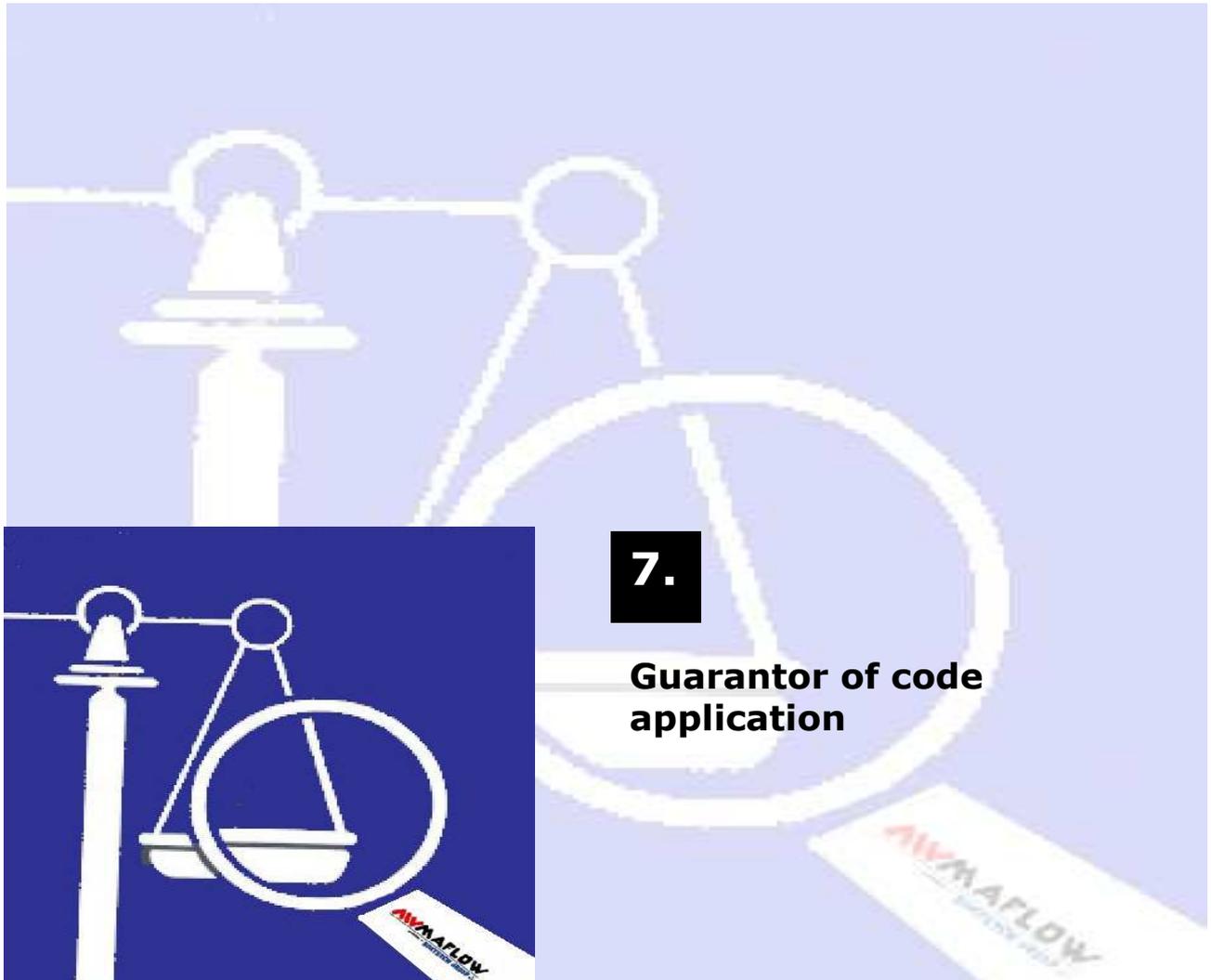
In compliance with regulations concerning insider trading, employees must, in no way, use such information to gain any type of benefit, direct or indirect, immediate or future, economic or otherwise.

In the light of the above, no employees possessing information of importance or whose disclosure is imminent can – prior to disclosure and by virtue of the same – purchase or sell, either directly or indirectly, shares of Group's companies.

According to the procedures adopted by the Group, exclusively subjects authorised to do so as per current legal requirements and corporate procedures and also assuring parity of access and contextualise of information, disclose "price sensitive" information to the outside world.

The Group's employees defined as "Significant Persons", are in any case necessarily obliged to advise of transactions in financial instruments issued by MBS Group that exceed the quantities limits defined by the Group.





7.

Guarantor of code application

7. GUARANTOR OF CODE APPLICATION.

The Chief Manager hereinafter referred to as the "Guarantor of Code Application", will be responsible for verification of Code application.

The tasks of the Guarantor of Code Application include:

- Provide the Code to Recipients (Members of the Boards of Directors and Employees of all Group Companies, Third Parties);
- Arrange communication and training programs for the employees in order to allow a Code targets better knowledge;
- Issue promotion of guidelines and operational procedure;
- Exam news about possible Code violations, promoting the most appropriate checks;
- Communicate relevant checks to the Human Resources Department in order to adopt possible sanctions;
- Protect and give assistance to those who advise of conduct not compliant with the Code, protecting them from pressure, interference, and retaliation;
- Inform of the concerned structures about the relevant checks results in order to adopt the right steps;
- Activate and maintain an adequate reporting and communication flow with the controlled companies similar structures;
- Show to the Board of Directors an annual report about the Code application towards MBS Group.





8. THE INTERNAL CONTROL SYSTEM.

The Internal Control System, which shall be implemented by the Group's Management, consists of the set of tools considered necessary or useful to guide, manage and check the Group's activities, directing it towards the achievement of its goals and appropriately countering any impending risks. In other words, the Group must give itself a control structure appropriate to its business (from organisation to the system or delegation, from strategic planning to the budgeting system, from financial reporting to the assessment system, from safety system to the regulatory framework) and it must also have the tools and techniques capable of contrasting corporate risks of any kind, indentifying, assessing and handling them with suitable correction plans.

The Internal Control System, as a whole, must "reasonably" guarantee compliance with the law and with the Group's international procedures, compliance with its corporate strategies and policies, achievement of its targets, safeguarding of its physical and logical assets, corporate management according to criteria of effectiveness and efficiency, besides the reliability of its accounting and management records, for both internal and external purposes.

The Bodies responsible for checking the implementation, effectiveness and functionality of the Internal Control System is the Internal Control Committee.

Besides implementing, updating and maintaining the Internal Control System, the Group's Management will also be required to promote the "culture of control", also involving its collaborators, who must be given specific responsibilities in this respect, in connection with their position.

Of particular importance are the transparency, accuracy and completeness of the balance sheet data. Therefore, all employees are required to collaborate to ensure that the operational items are accurately represented.

Any Group's employees becoming acquainted with the falsification of the accounting records or of the documents, on which the accounting entries are based, shall report this to their superior, who may then request the intervention of the above-mentioned Bodies responsible for checking the efficiency and functionality of the Internal Control System.

In the event one's immediate superior is involved in the above-mentioned improper conduct, a confidential communication must be sent to the upper hierarchical level and to one or more of the above-mentioned Bodies. If the communication is proved to be deliberately unjustified, the employee concerned shall be subject to a disciplinary procedure.

The Internal Control System monitors the Group's compliance with the Code of Practice, submitting to the Board of Directors proposals aimed at optimizing their contents and implementing conformity by the members of the target Group.

8.1. Internal Control Committee.

Within the MBS Group Board of Directors, it is established an Internal Control Committee for consulting and proposing assignments and with the duty of:

- Assisting the Board of Directors in the arrangement of the Internal Control System guidelines and in the periodical checks of the adequacy and effective working, assuring that the main corporate risks are identifiable and properly managed;
- Valuing the working plan prepared by the organs in charge of internal control and receive the periodical reports from them;
- Valuing, together with the Financial Group Directors and the auditors, the adequacy of the applied accounting principles and their homogeneousness in order to draw up the consolidated trial balance;
- Valuing the offers made by the audit companies to get the commitment of the assignment, let alone the working plan arranged for the audit, the data shown in the report and in the comment letter results;
- Telling the Board of Directors at least every six months, on the occasion of the trial balance approval and of the six-monthly report, about the accomplished task and the internal control system adequacy;
- Developing more consulting tasks coming from the Board of Directors, in particular related to the relations with the audit company;
- Valuing the experts who assist the Board in the highly significant operations with third counterpart's independence.

