



**STIGA GROUP
CODE OF ETHICS
STIGA SPA**

In compliance with the Italian Legislative Decree 231/2001

*Adopted with deliberation of the Board of Directors of STIGA S.p.A. (before
GGP Italy S.p.A.) dated February 1st, 2011*

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The Code of Ethics was prepared according to the main laws, regulations, guidelines and documents existing at national and international levels regarding human rights, the company's social responsibility and corporate governance that are applicable to all the legal entities of STIGA Group.

Furthermore, the Code refers to:

- The United Nation's human rights charter and the European Union's human rights charter, the Italian Constitution;
- The core *labour standards* discussed in the International Labour Organization conventions, the OSCE's (Organization for Security and Cooperation in Europe) Guidelines for Multinational Corporations, the United Nation's Global Impact, the principles of Social Accountability 8000;
- The best-practice principles existing on codes of ethics.

The purpose of this Code is to summarize the rules of conduct that the STIGA Group uses as a base for carrying out its business.

Accordingly, the adoption of this Code means satisfying the needs and expectations of all internal and external STIGA stakeholders (collaborators, partners, customers, suppliers, public administration, etc.) with the purpose of creating a transparent organization aiming at compliance with ethical and behavioural standards, distinguishing itself for excellence and reliability.

In particular, the Code of Ethics defines the standards of conduct that collaborators are obliged to observe and make others to observe. The collaborators have to act in a way that represents at best the STIGA style of conduct and that strengthens its reputation.

The Code of Ethics is divided into three sections:

1. Mission and values;
2. rules of conduct;
3. implementation and compliance with the Code.

1. MISSION AND VALUES

The STIGA Group is a leading manufacturer of lawn mowers and a wide range of powered garden equipment, gathering more than 75 years of market experience with some of its five consumer brands - Stiga, Castelgarden, Alpina, Mountfield and Atco - and representing a first-choice partner for the OEM and Private Label industry.

This competence to both customize production and to serve the trade and industries needs at best (Private Labels and OEM) and the final consumers through a branded offer, is at that extent unique in the market. It is by investing in this strategy that STIGA Group has the ambition to become the most

competitive player and the world's largest knowledge centre for the lawn mowing and garden equipment industry.

STIGA Group is present in about 100 countries all over the world and has fully owned commercial subsidiaries and representations in most of the major markets in Europe. Thanks to this widespread presence, STIGA Group can seize and satisfy the needs of every single market and all different channels in a flexible and precise way.

STIGA Group applies its competence and knowledge to constantly provide better lawn mowing solutions and solutions to make gardening easier and efficient. By focusing on innovation and development, STIGA Group offers quality products with performance standards able to cater for customer needs in a wide range of garden machinery, most of which rewarded by leadership market positions and unique solutions, as the very wide range of battery based solutions for large but also medium and smaller surfaces:

- Battery powered, electric and petrol-driven front mowers
- Battery powered, electric and petrol-driven lawn tractors, with side and rear discharge
- Battery powered, electric and petrol-driven lawnmowers, push or self-propelled
- Robots for automatic lawn mowing
- Adjacent products as chainsaws, brush cutters, hedge cutters, trimmers, blowers, scarifiers, shredders for collecting and recycling garden waste, rotary tillers and snow throwers, as well as a full range of accessories and spare parts.

A manufacturing network with four production plants in Italy, Sweden and Slovakia, strategically well located in Europe, backed up by a strong facility in China, ensures the best value for money on all product categories. From designed to target up to overall marketing and service excellence, STIGA Group competence is one of the widest and deepest in the industry.

STIGA Group own brands are:

Mountfield: since 30 years the icon brand in the UK market. Mountfield offers products tailored to UK lawn mower needs, designed and manufactured to ensure gardening experience a pleasure. Quality products combined with a country wide dealer network recognized for responsive service, makes Mountfield the leading UK lawn mower choice.

Alpina: Alpina is a stylish Italian brand committed to serve the needs of the DIY and Mass market throughout Europe. Passionate and flexible, with a dedication to understanding customers' needs and offering solutions genuinely desired by customers, it recently celebrated its 50th anniversary with a new positioning and innovative products which bring to garden the latest fashion and colour trends.

Castelgarden: established in 1962, offers to traditional trade customers appealing Italian-designed products at excellent value for money. Well known for its ride-on lawn tractors and lawn mowers, Castelgarden offers a complete range of products, including brush cutters, hedge cutters, chainsaws and blowers for gardens of any size, easy to handle, attractive while affordable.

Stiga: premium brand established in 1934 with a long history and tradition, synonymous for Swedish quality and ease of use. Customer driven, innovative technology and with solutions that have led the whole industry, Stiga is not only the leading brand in Northern Europe for lawn mowing and its mission is to serve the traditional channels at best but at the same time expanding its leading role and superior offerings all over Europe and the world at a very impressive growth rate.

Atco: with nearly 100 years market presence – one of the longest in the industry - Atco is one of the most iconic names in the garden machinery market. Like Mercedes in the Automotive Industry, the Atco brand is the name for the foundation and so great success of the garden power equipment industry in Europe and beyond.

STIGA Group values are represented by openness, reliability, customer care and excellence challenge.



STIGA Group employees live these values through specific behaviours:

- Keep the promises
- Actively listen to customers, colleagues and all stakeholders
- Be respectful and always speak fairly of customers, colleagues, brands and goals, seeking solutions and not looking for excuses
- Incorporate continuous improvement into daily business

STIGA Group is open to all its customers and collaborators for a constant exchange of ideas and solutions.

The main objectives of STIGA Group are: reliability on the market through constant commitment to complying with the deadlines and requests of its orders, interaction with the market, listening to and perceiving customer needs to better meet their expectations, constant improvement in performance and quality of its products. Management based on experience, quality, performance and availability of a wide product range together with total dedication aimed at satisfying the customer are the elements that distinguish STIGA from its competitors.

For STIGA Group, quality is perceived not only as the customer's final satisfaction, but as an integral part that characterizes all its processes.

The STIGA Group activities and organization is driven by the following principles:

- **The centrality of the person:** respect for human dignity is a mainstay in the way each manager acts. Therefore, STIGA Group takes over the responsibility for maintaining such environmental conditions and human respect that promote safety, health and human dignity in the workplace. This allows all STIGA Group collaborators to work with pride, positivity, dedication, growth, creativity, friendship and motivation.
- **Equality and impartiality:** in all its relationships, STIGA Group shuns all forms of discrimination based on gender, sexual orientation, age, nationality, health, political opinions, race and religion, and generally any individual characteristic of the human being.
- **Loyalty and transparency:** STIGA Group acknowledges the importance of communicating correct, complete and transparent information, internally as well as externally. In this value, it facilitates a safe business development and honest, loyal and long-lasting relationships based on trust and credibility with all its contacts.
- **Quality and customer satisfaction:** STIGA Group is committed to guarantee the highest product and process standards, ensuring that the provided products and services satisfy the customer's needs and expectations. It is of the utmost importance to STIGA Group that its customers' expectations be defined and translated into requirements that are opportunely and promptly satisfied.
- **Excellence, experience, innovation and reliability:** STIGA Group uses production know-how, methodology and/or technology derived from its extensive business experience to create successful initiatives and to design state-of-the-art products, all the while complying with legal and regulatory obligations.

2. RULES OF CONDUCT

This section defines the standards of conduct that has to be maintained in order to be aligned with STIGA Group values.

Collaborators

The term collaborator means:

1. STIGA Group employees;
2. individuals who perform management or control functions in STIGA Group;
3. individuals who cooperate with STIGA Group through a temporary, interim or semi-subordinate employment.

Compliance with laws and regulations

STIGA Group collaborators (as above described), whose actions can be related in whichever manner to the STIGA Group, must behave properly, diligently and in compliance with the legal obligations in fulfilling their role as employee or as consultant.

Moral integrity is a constant duty for those who work for STIGA Group and characterizes the conduct of the entire organization.

Ethical, honest and transparent conduct includes, first and foremost, decent and fitting behaviour with regard to the job being done and in personal as well as professional relationships. On all levels, relations between collaborators must be based on correct, collaborative, loyal and mutually respectful criteria and conduct.

Ethical conduct also includes observance of all laws, rules, regulations and procedures that are applicable to the execution of one's job. It also includes observance of all the duties defined in this Code and in other Group policies.

Each collaborator pledges to observe the laws and regulations of the Country in which he is operating.

STIGA is committed to ensuring that each employee has knowledge of the legal requirements related to their function, thus being able to recognize the possible risks and understand the behavior to be adopted in situations characterized by risk.

Employees and individuals who make any purchase of goods and / or services, including external consultancy, on behalf of STIGA, must act in compliance with the principles of correctness, economy, quality and lawfulness and operate with the "diligence of the good father of family".

The computer equipment of STIGA must be used in full compliance with applicable laws and specific internal procedures

Foreign workers

STIGA Group's companies undertake, in compliance with each countries' legal dispositions in force regarding immigration, to not hire individuals without residence permit and to not perform any activity that might encourage the illegal entrance of immigrants.

Minors

STIGA Group guarantees the protection of minors and places maximum emphasis on the importance of eliminating any kind of exploitation with regard to minors.

Should STIGA Group employs minors, it will be done only in line with the law of the relevant country.

Improper use of the company's informatic tools is likewise forbidden and extraneous to STIGA Group and its collaborators, in particular when used to introduce or encourage behaviours related to the crime of underage pornography even through virtual images.

Respect of the laws and fight against organized crime

STIGA Group expects that its collaborators do not perform acts or engage in conduct that might lead to crimes being committed that were provided by the New York Convention of 9/12/1999 on the repression of financing national and international terrorism.

STIGA Group acknowledges the primary importance of any action preventing the money laundering from criminal activities and from activities financing terrorism.

More specifically, STIGA Group promotes the principle of proper conduct in the business activities, prohibiting and blaming acts or control systems that should favour individual or associative illegal activities, on national or international level.

STIGA Group acknowledges the primary importance of the fight to the criminal organizations. Any conduct that might be connected to criminal organizations is therefore forbidden and extraneous to STIGA Group values. Each collaborator must report to the Group Internal Audit any conduct or situation that threatens STIGA Group economical and commercial freedom. Specifically, any situations involving threats, extortion and blackmail that restrict STIGA Group activity favouring other companies or persons connected to national or international criminal organizations must be reported.

The existence of a stable association between STIGA Group collaborators aimed to perform or hide illegal acts, even in STIGA Group interest, must be reported to the Group Internal Audit.

Defending diversity

STIGA Group offers its collaborators equal work opportunities in order to guarantee fair and non-discriminatory treatment according to merit criteria and to equality, tolerance and mutual respect values.

The responsible functions must:

- adopt merit, competence and professional criteria in any decisions regarding an employee;
- select, hire, train, pay, and manage collaborators without discrimination regarding gender, race, age, religion;

- create a work environment where personal characteristics cannot create any discrimination;
- create a respectful and dignified work environment where each individual has the opportunity to use his potential and characteristics in promoting business development and growth.
- STIGA Group requires to all employees to collaborate maintaining mutual respect for dignity, honour and reputation of each person.
- STIGA Group will forbid any disrespectful or defamatory conduct between the employees.

Therefore, in collaborators selection, STIGA Group adopts appropriate measures to prevent any discrimination and favouritism, not allowing distinctions based on nationality, skin colour, religious beliefs, political or union affiliation, gender or any other nature.

Representation

STIGA Group reputation is a high value intangible asset that allows STIGA Group to create and maintain trusty relationships with all its stakeholders. Therefore, all activities must be executed with commitment and professional competences and thoroughness.

Each collaborator must execute professionally the assigned duties and act in a way to protect STIGA Group reputation.

The following circumstances will be deemed as willingness to damage the proper work environment if occurring during work activities and in the workplace:

- being under the effect of alcoholic substances and narcotics while on duty;
- consuming or offering narcotic substances for any reason while on duty.

Harassment in the workplace

STIGA Group requires that no cases of harassment in internal and external work relations will happen, meaning more specifically:

- creating an intimidating, hostile or segregating environment toward individuals or groups of employees;
- interfering without reasons with others' work activities.

Conduct and behaviour that may lead to sexual harassment in the work environment are not allowed, meaning more specifically:

- subordinating important awards for the career of the recipient to the acceptance of sexual favours;
- proposing interpersonal relations with sexual implications, made despite an explicit dislike which leave a clear negative consequence on the working activities of the recipient.

Defending physical and moral integrity

STIGA Group is committed to ensure that the workplace complies with safety and health laws and to prevent the related risks with a regular risk management activity.

STIGA Group objective is to prevent accidents or diseases related to conditions in the workplace taking all the appropriate measures such as, for example: continuous training of personnel on the duties and on safety issues, continuous investment in machinery and equipment which complies with the prevention and safety standards, continuous maintenance of existing machinery and equipment, monitoring and updating of work methods, and checking on compliance with law and company regulations by the employees.

Increasing the value of collaborators

STIGA Group is aware that qualified and loyal collaborators are an intangible asset of primary importance that is necessary to reach company objectives and to maintain optimal quality standards.

Equally important is creating and maintaining a peaceful and positive work environment, by respecting the private lives of collaborators as well as defending equal opportunities, ensuring that professional advancements are based exclusively on personal merit, skills and aimed at consolidating each person's professional level.

In collaborators selection, STIGA Group evaluates the correspondence between expected and effective candidates' profile, together with transparent merit considerations.

STIGA Group encourages the development of collaborator's capabilities and skills, so that the any individual can express its potential with regard to the business needs.

The evaluation of collaborators is based on meritocratic criteria with regards to discussed, agreed upon and shared objectives, rewarding only when results are reached, in line with the company policy.

STIGA Group defines annual general and individual objectives within the relevant Group policies, based on achievable, specific, concrete and measurable results, in proportion to the time necessary for their fulfilment.

Any difficulties or conflicts with the above-mentioned principle must be promptly communicated to the VP Group Human Resources in order to evaluate the implementation of the corrective actions.

Furthermore, STIGA Group offers training programmes according to Group standards in order to combine the company growth needs with the related training requirements and offers them the adequate updating and developing tools.

Collaboration and sharing

Collaboration and sharing are considered important elements in STIGA Group, as they allow creating a harmonious and stimulating work environment, based on reciprocal trust and respect. In this way, a positive collaborative atmosphere is created, allowing to find effective solutions for the problems arose work activities. Each collaborator must contribute at its best to the execution of management activities, to improve operating efficiency and to reach excellent performance levels.

Conflict of interests

Each decision and action taken during the employment must be made in the interest of STIGA Group and do not have to be influenced by personal relations or advantages.

All collaborators must avoid situations where conflict of interests can rise and must refrain from taking personal advantages of business opportunities associated to the execution of their own duties.

Conflict of interests includes but is not limited to:

- having economic and financial interests, even indirect through relatives, with customers, suppliers, competitors of STIGA Group and with Public Administration with whom STIGA Group deals;
- using one's own position in STIGA Group or information obtained through one's work so as to create a personal advantage in conflict with STIGA Group interests.

Anyone finding himself involved in a conflict of interest (even potential) is expected to advise immediately his superior and to refrain from engaging in the conflicting activities until the situation is properly assessed by STIGA Group.

The superior will inform the Internal Audit on the situation and propose the measures to be taken to guarantee that activities are carried out at market conditions, according to transparent criteria and in compliance with corporate procedures. The proposed measure has to be approved by the relevant Vice President and, in the most serious cases, by the STIGA Group CEO.

In the case that a conflict of interest versus a collaborator has been reported, the relevant disciplinary sanctions will be applied, in line with the applicable legislation.

Gifts and benefits

STIGA Group collaborators and their immediately families must not receive money, gifts, utilities or benefits from third parties (Public Administration, customers, suppliers, etc.) as a consequence of their position in STIGA Group.

Cash or other benefits that might be misconstrued as forms of corruption to procure an advantage to STIGA Group cannot be offered.

Any payment of money, gifts, utilities or benefits to officials who are members of or are directly associated with persons working in the public administration, is forbidden.

Business courtesy acts to customers or suppliers, such as complimentary gifts or hospitality, are allowed if: a) they are previously and duly authorized by the competent department b) they are of low value c) they will not jeopardize the integrity or reputation of one of the parties and d) they may not be understood to obtain any advantage, even if not economical, contrary to the laws and or regulations.

Using corporate resources

Each STIGA Group collaborator is obliged to work diligently to protect corporate resources, by behaving responsibly in accordance with the specified operational procedures that regulate the use of the same, preventing improper use that might cause damage, reduce efficiency or be in conflict with the corporate interest.

Likewise, it is the collaborator's responsibility not only to protect said goods, but also to prevent fraudulent or improper use, to their, third parties' or even to STIGA's advantage.

Finally, it is a form of best practice that STIGA collaborators, regardless of role, pay attention to operate with criteria that grant order and safety, in the office as well as inside the plant and avoid any waste, as much as possible.

Information transparency and fairness

STIGA Group activities constantly require the acquisition, conservation, processing, communication and diffusion of information, documents and other data concerning negotiations, administrative procedures, financial operations, know-how (contracts, deeds, reports, notes, studies, drawings, photographs, software), or data that cannot be disclosed to third parties and whose inappropriate diffusion might damage corporate interests.

All STIGA collaborators must guarantee the authenticity, transparency, accuracy and completeness of the documents and information disclosed carrying out the activities under their responsibility. Operations and transactions must be duly authorized, justifiable, correctly accounted and supported by appropriate documentation for potential inspections and audits.

Each collaborator is obliged to guarantee the required confidentiality of the information managed during his working activities.

Information, knowledge and data acquired or managed by collaborators during their work duties, even if gathered outside the workplace, belong to STIGA Group and cannot be used, communicated or disclosed without specific authorization of the relevant STIGA Group manager.

In particular, for information regarding intellectual property rights, trade secrets, know-how or other tangible or intangible materials, collaborators have to comply with policies, standards, normal practices and guidelines regarding the treatment of this information.

STIGA Group collaborators are obliged to not disclose or use confidentiality information related to STIGA Group, or information received by STIGA Group under confidentiality agreements, except when necessary for carrying out duties as STIGA Group collaborators or by prior STIGA Group written consent. Collaborators are also obliged to not use or make accessible the abovementioned information to unauthorized persons in the workplace as well as at home, in public places or elsewhere. Special attention must be paid when using laptops or other electronic tools at home and when accessing Internet during travels or whenever off premises.

In case of any doubt about the use or disclaim of STIGA Group information, the collaborator has to ask instructions to his hierarchical manager.

In particular, collaborators involved in recording accounting registers or financial statements must use all the diligence to ensure that these registers and statements are truthful and correct. STIGA Group blames any conduct aimed at altering the correctness and truthfulness of the data and information in financial statements, reports or other forms of corporate communications required by law directed to supervisory authorities, statutory auditors (where applicable) auditors and all of STIGA Group stakeholders.

STIGA Group protects the personal data of collaborators and third parties, preventing improper use of their data in compliance with standard regulations and internal procedures.

Respect for ethics

Compliance with the principles of the Code by STIGA Group collaborators must be considered an essential part of the contractual agreements, in accordance with the laws in force.

Suppliers and Partners

The term “supplier” means all those who supplies STIGA Group with goods and services. STIGA Group capability to maintain high quality standards depends from suppliers too.

The term “partners” means all those who act in the name of or on behalf of or in the interest of STIGA Group through a mandate or other collaboration agreements such as distributors, dealers, agents, partners in joint venture or partners for the realization of a business project, etc.

Mutual reliability

Supplier’s co-operation is one of the main elements that allow STIGA Group to continuously satisfy its customer’s needs in terms of quality, costs and delivery deadlines.

When possible, STIGA Group establishes long-term relations with its suppliers and partners based on fairness and transparency criteria.

STIGA Group maintains free and open dialogue with its suppliers, in compliance with good business practice.

STIGA Group intends to carry out its contracts diligently, complying with their terms and conditions, without taking advantages of counter parties’ weakness. In particular, STIGA Group undertakes to make regular payments, respecting its financial constraints and the needs of balancing the cash-in from customers. It also undertakes to make meticulous but not oppressive quality controls.

Suppliers and partners selection

In the suppliers selection, STIGA Group applies impartial criteria following clear and transparent procedures. Even favouring continuous relationships, STIGA Group allows to any supplier with the necessary requisites the possibility to get a business deal.

STIGA Group selects only qualified persons and firms with good reputations. It applies the internal principles and procedures for selecting and managing relations with non-subordinate collaborators, taking into consideration all the information about the opportunity to co-operate with them.

In order to satisfy consumer expectations, relations with distributors and / or wholesalers are based on maximum collaboration and transparency, with a view to the benefit of all parties. STIGA formulates contracts with distributors and / or wholesalers in a correct, balanced and transparent manner, in compliance with the expectations of the latter and in compliance with the principles of fairness and good faith, as well as with accession to values comparable to those expressed in this Code.

With regard to joint ventures or investments, STIGA Group selects partners with good reputation and reliability, as well as with comparable values as the ones expressed in this Code.

Payments, gifts and benefits

Payments made to suppliers must always be proportioned to the services defined in the contract.

STIGA Group strictly forbids the giving or receiving of gifts and/or benefits (money, things, services, compensation, favours or other utilities) to and from suppliers and partners and/or their contacts (potential or effective) that may be interpreted by an impartial observer as a way to obtain an illegal benefit, even if not economical, from the relationship.

Protection of suppliers' safety and health

STIGA Group undertakes to protect the health and safety of suppliers that exercise their activity in STIGA Group offices or plants with appropriate organizational and technical preventive actions.

STIGA Group verifies that the requisites of its contractors comply with the laws and the qualification systems of the country where the contract work takes place.

Confidentiality of information and intellectual property

In compliance with the relevant laws and regulations in force, STIGA Group keeps the needed confidentiality on intellectual property or strategic information of its suppliers and partners, from whom it expects the same conduct.

Respect for ethics

In consideration of the importance of the relationship, STIGA Group assesses the opportunity of sending this Code to its suppliers and partners, requesting receipt of reception and adherence to the contents.

Customers

Quality and efficiency of products and services

Market leadership and customer satisfaction are the main objectives of STIGA Group, which make any efforts to constantly improve its services.

With regard to the customers, STIGA Group is committed to reach and maintain the quality standards of its products and services, in compliance with the laws and regulations in force and making any efforts toward excellence in performance.

Safety and product innovation

STIGA Group places great importance in technological research in order to offer innovative and reliable products. It grants to the customers the safety in using the products in compliance with the law also through inspections and testing done by certified bodies and/or STIGA itself. STIGA Group clearly informs the customers about the risks running in using the products, also through tests carried out by the certifying bodies and / or by STIGA itself.

Negotiation and contractual fairness

Relations with customers are oriented towards creating and maintaining a solid relationship based on the general values of correctness, honesty and professionalism, avoiding the use of any deceptive behaviour.

When unexpected events occur, STIGA undertakes not to exploit situations of dependency or weakness of the counterparty.

Compensations, gifts and benefits

Payments received by customers must always be proportioned to the services defined in the sale contract and have to be received by the contractual counter-party.

It is absolutely forbidden to offer (or receive), directly or indirectly, to / from customers gifts and / or benefits (money, objects, services, services, favours or other benefits) that can be interpreted by an impartial observer as finalized to the achievement of an advantage, even if not economic, contrary to mandatory laws, regulations and the principles of this Code.

Public Administration

The term “Public Administration” refers to all those persons, of public or private law, who perform a “public function” or a “public service” with which STIGA Group and its collaborators deal with.

These include, but are not limited to: national public authorities (municipalities, provinces, regions, etc.), authorities monitoring compliance with rules and regulations of the manufacturing sites, administrative authorities authorizing or certifying products or activities or capital investments, judicial authorities, police, public economic authorities that offer services in transportation, energy and communications.

Legality, fairness and transparency in relations with Public Administration

Dealing with Public Administration, STIGA Group bases its conduct on fairness and business transparency.

In the relationship with Public Administration, no STIGA Group collaborator is allowed to:

- give or promise gifts, money or other advantages in order to influence the impartiality of its professional judgement.

- send false or deceptive documents, declare non-existing requisites or affirm untrue declaration;
- obtain any type of illicit profit (licences, authorizations, costs relief also related to social security costs) through expedients or tricks;
- engage in economic activities, grant professional assignments, give or promise gifts, money or other advantages – i.e. employment or promising employment – to public officials or public employees involved in procedures that can get any benefit to STIGA Group;
- receive illicit contributions, funding, subsidized loans or other type of assignment designated, granted or administered by Public Administration, by use or presentation of false or untrue documents or by omission of required information;
- use contributions, funding or subsidized loans granted for the realization of public interest activities for different purposes than the ones originally defined.

Any donations to local authorities or to authorities that can be traced to Public Administration must be granted in compliance with the principles established in this Code, using transparency-based procedures and with prior notification to the STIGA Group Internal Audit Manager.

Within the limits of its capabilities, STIGA Group encourages the proper administration of justice, collaborating with judicial authorities, the police and any public official vested with the authority to inspect and investigate in its regard.

Employees and collaborators must notify their managers and the STIGA Group Internal Audit Manager of any extortion or bribery attempts from a public official of which they are recipients or that they discover.

STIGA Group requires that all its collaborators give all availability and collaboration to anyone in charge to inspect or check on STIGA Group business activities.

In case a judicial procedure, investigation or inspection by the Public Administration or Supervisory Authorities is foreseen, no one must destroy or alter minutes, accounting records or similar documents, lie or make false declarations to the competent authorities.

No one must try to persuade others to make false or deceptive declarations to the competent authorities.

No one is allowed to engage in economic activities, grant professional assignments, give or promise gifts, money or other advantages to those carrying out investigations and inspections or to the competent authorities.

It is forbidden to STIGA Group collaborators to force any persons called before the judicial authorities to make untrue declarations by violence or threats or offering or promising money or other benefits.

Selecting third parties to manage relations with the Public Administration

Persons in charge of handling negotiations, requests or institutional relations with the Public Administration must not try to influence decisions improperly, nor behave illicitly such as offering money or other benefits that may alter the Public Administration impartiality.

Should STIGA Group use a consultant or a third party to be represented versus the Public Administration, these persons have to formally accept the rules of this Code.

In the relations with Public Administration, STIGA Group must not be represented by third parties that could be potentially in conflict of interests or lacking in honourableness.

Hiring employees or former employees of the Public Administration.

Hiring or defining employment with employees or former employees of the Public Administration who, while operating in their functions, have/had relations with STIGA Group or their relatives and/or in-laws, must strictly comply with STIGA Group procedures defined for personnel and collaborators selection, in such a manner that the current/previous qualification of the candidate does not influence the final decision of employment.

Contributions and Funding

STIGA Group guarantees the correctness and completeness of the documents prepared to obtain contributions, funding, authorizations and permits from the Public Administration (European Community, Government, Local Authorities, etc.).

Furthermore, it guarantees that the obtained funding is used for the original purpose they were asked for.

Shareholders

Business sustainability

Business risk is protected by a cautious, not speculative policy to safeguarding the company's solidity and to simultaneously promoting economic competitiveness, efficiency and effectiveness.

STIGA Group maintains high standards of corporate governance to defend its value and reputation, in the interest of its shareholders and stakeholders. STIGA Group adopts a *Corporate Governance* system in compliance with the laws in force, as well as national and international best practices. This system defines the principles of proper management in order to increase STIGA Group reliability safeguarding all its shareholders and stakeholders.

With regard to these principles, STIGA Group promotes behaviours aimed at the protection of the corporate assets by the Board of Directors of each legal entity and at the protection of the interests of its creditors according to the laws.

STIGA Group guarantees the transparency of the choices it makes, with the primary objective to maintain and develop a constructive dialogue with the shareholders respectively their representatives or their representative bodies. Consistent with its defined procedures and its contractual obligations, it promptly notices the shareholders with all the information that may influence any investment decisions, so that informed and aware decisions can be taken.

Transparency and fairness

STIGA Group avoids preferential conduct toward any shareholders in order to guarantee fairness, clearness and equal access to information, preventing illicit use of the same.

Intragroup operations

STIGA Group carries out intragroup operations at market conditions (fair market value), complying with substantial and procedural fairness criteria in respect of the rules and regulations that govern national and transnational intercompany operations.

Therefore, intercompany transfer pricing of goods and services are defined accordingly to a corporate policy and must always be justifiable.

Lenders

Transparency of the information report

STIGA Group guarantees the correctness and promptness of the information report required by financing institutions, so that their investment decision is based on a true representation of the Company's financial situation.

Keeping commitments

With regard to its borrowings, STIGA Group honours the commitments made with financial institutions, respecting the agreed deadlines.

Competitors and Market

For STIGA Group, it is of the utmost importance that the market is based on correct and fair competition.

STIGA Group and its collaborators are committed to comply with the relevant laws and to actively cooperate with market regulating authorities.

Observance of European and International Antitrust laws must be guaranteed in all agreements and business practices.

STIGA Group collaborators must not obtain information on competitors (i.e. activities, manufacturing methods, technology) through illicit or unethical ways .

Community and environment

This topic covers the group of contacts whose interests are influenced by the direct and indirect effects of STIGA Group activities. These include but are not limited to the local community, mass media and the natural environment.

Economic and social environment

In order to improve the social environment in which it operates, STIGA Group commits on sensitive and important topics such as scientific research and promotes collaborative relations with the local institutions.

Support for social and cultural initiatives

In case of supporting social and cultural initiatives, STIGA Group takes into consideration initiatives that are coherent with its own strategic objectives and with the principles of environmental and social responsibility. STIGA Group does not finance political parties, their representatives, candidates or unions, unless otherwise provided by the law.

Donations and gifts

In case of donations and gifts, STIGA Group chooses qualified initiatives that distinguish themselves for the ethical message transmitted and which contributes to social development.

STIGA Group does not give donations or gifts to national public authorities with the intention of obtaining any kind of economic advantages.

Media

When carried out, external communication of data or information must be truthful, transparent, proper, appropriate and coherent with STIGA Group policies and must be performed by the relevant corporate departments. Collaborators must refrain from conduct or making declarations that may damage STIGA Group image and interests.

Protecting the environment

Without prejudice to compliance with the specific legislation applicable in each country where STIGA carries out its activities, STIGA adopts suitable measures to preserve the environment and the community, promoting the development of activities consistent with this objective and taking part in awareness initiatives.

The premise behind STIGA Group environmental policy is expressed by the conviction that the environment is a common good to be protected.

While complying with the specific rules and regulations applied in each country, STIGA Group also takes appropriate measures to preserve the environment and the community, promoting the development of activities coherent with that objective.

STIGA Group undertakes to train its collaborators to make them aware of the environmental aspects and impact that their activities may cause and to reduce the effects of their actions, in compliance with the provisions of corporate procedures.

STIGA Group carries out its assembling and manufacturing activities in production plants operating within the extents allowed by permits, licences and public authorizations.

With regard to raw materials or finished products that may potentially pollute, STIGA Group guarantees the appropriate attention to safety during their transportation, moving, storing and dismissal.

3. IMPLEMENTATION AND COMPLIANCE WITH THE CODE

Through its own Code, STIGA Group confirms its compliance with the highest ethical standards in which it believes in and identifies itself.

STIGA Group collaborators must observe and make others observe the principles in this Code. Compliance with the principles of the Code by STIGA Group collaborators must be considered an essential part of the contractual agreements pursuant to and in accordance with the laws in force.

STIGA Group is committed to making others comply with this Code through the application of the disciplinary system specified by the applicable Labour Agreements.

The Code is made known to employees and whomever STIGA Group deems must comply with, through explicit reference of compliance with the Code in the relevant contracts.

This Code is available on the STIGA Group intranet and is distributed according to the methods considered appropriate for an effective diffusion.

STIGA Group has identified the Group's Internal Audit as the guarantor of the compliance and of the Code's specification proper implementation. Accordingly, the Group Internal Audit:

- will refer to the competent functions to encourage proper ways of communication and/or training;
- will clarify doubts on interpretation and situations regarding the "ethical dilemma", also in collaboration with the STIGA Group Top Management;
- collect reports of supposed violations;
- guarantees the confidentiality of the identity of the person making the report, protecting him/her from potential retaliations;
- will report the violations to the person vested in the disciplinary power in order to have sanctions applied.

The Head of Group Internal Audit reports immediately to the Supervisory Board of STIGA Italy SpA, appointed pursuant to and for the purposes of Legislative Decree no. 231 of 2001, any report received that relates to the Group's activities carried out in Italy or carried out abroad by the Italian company.

Communications to the Head of the Group Internal Audit (such as the report of alleged violation, the request for clarification or opinion, etc.) must be made in a preferably non-anonymous form and may be sent by all the interlocutors of STIGA, at the following e-mail address:

internalaudit@stiga.com