

CODE OF ETHICS

RELATING TO THE

MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL

PURSUANT TO

ITALIAN LEGISLATIVE DECREE N. 231 OF 8 JUNE 2001

Third Edition

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Table of contents

1. INTRODUCTION.....	3
1.1 The Code of Ethics	3
1.2 The Addresses.....	3
2. GENERAL PRINCIPLES.....	4
2.1 Human Rights	4
2.2 Compliance with Laws and Regulations	4
2.3 Integrity, Honesty and Correctness	4
2.4 Transparency and Verifiability of operations	4
2.5 Excellence, Innovation and Performance	5
2.6 Contrast to Corruption	5
2.7 Preservation of intellectual property	5
2.8 Integrity in business. Fair competition	5
2.9 International trade. Relations with international operators	5
2.10 Protection of Confidentiality and Privacy	6
2.11 Correct use of informatic systems.....	6
2.12 Prohibition of divulgation and use of “price sensitive” informations	6
2.13 Collaboration with Authorities	6
2.14 Proper use of corporative assets	6
3. RELATIONS WITH CLIENTS	7
3.1 Rules of conducts.....	7
3.2 Clients satisfaction.....	7
3.3 Quality and security of products	7
3.4 Correctness of information	7
4. RELATIONS WITH SUPPLIERS	8
4.1 Relations with suppliers	8
4.2 Evaluation	8
4.3 Gifts	8
4.4 Social Obligations and Security Preservation	8
5. RELATIONS WITH EMPLOYEES	9
5.1 Human resources and team work	9
5.2 Conflict of interests	9
5.3 Confidentiality	9
5.4 Health and security preservation	9
6. RELATIONS WITH THIRD PARTIES	10
6.1 Responsibility towards the collectivity.....	10
6.2 Environmental preservation.....	10
6.3 Relations with local and public institutions.....	10
6.4 Relations with associations, labor organizations and political parties.....	10
6.5 Relation with agents and brokers.....	10
7. IMPLEMENTATION OF THE CODE OF ETHICS.....	11
7.1 Communication and formation	11
7.2 Monitoring and control	11
7.3 Reports of violations.....	11
7.4 Violation and related sanctions.....	11

1. INTRODUCTION

1.1 The Code of Ethics

The Code of Ethics (hereafter "Code of Ethics" or simply "Code") reassumes the principles of conduct that Administrators, Managers, employees and collaborators with any title, as well as suppliers of Emerson Process Management S.r.l. (hereafter simply "EPM" or "the Company") must respect conducting business activities, delivering work performance and, in general, within internal and external relationships occurring with the group of companies which the Company belongs to and whose headquarter is Emerson Electric Co. (hereafter "Emerson Group"). It has not pretensions of completeness.

The Code of Ethics represents one of the fundamental protocols in order to realize a valid Model of Organization, Management and Control (hereafter "the 231 Model" or "the Model") in accordance with D.Lgs. n. 231/2001 (hereafter "the Decree"), appropriate to prevent crimes highlighted by the same Decree.

Thus, the Company has decided to acquire its own Code of Ethics, for the purpose of ensuring the highest possible ethical standards in pursuance of its Social activity.

In accordance with the latest version of the Confindustria Guidelines dated 31 March 2014, the Code constitutes an integral part of the Model adopted by the Company, and highlights:

- the general ethical principles positively valued by the Company;
- the specific rules of conduct applicable to parties subject to the Code, and with which such parties must comply;
- the mechanism of communication, training and monitoring of the Code of Ethics.

This Code of Ethics is consistent with the provisions of the version of Integrity and Ethics issued by parent company Emerson Electric Co., which constitutes a guide to company policies and to the legal requirements ruling the conduct of Emerson Group companies (however, it remains a stand-alone document and it is not included in the Model).

1.2 The Addresses

The Code of Ethics, in accordance with the related Model of Organization, Management and Control ex D.Lgs. 231/01, is applicable to all those who, for any reason, provide their contribution in carrying out the Company's activities.

These parties, who thereafter will be defined as "Addresses", include:

- members of the Company Bodies;
- managers and employees, without exception;
- all parties which, although external to the Company, collaborate directly or indirectly with it (e.g. agents, intermediaries, contractors, consultants, suppliers and clients)

The violation of the principles and rules of conduct laid down in this Code could compromise the relationship of trust with the Company, which could take appropriate disciplinary action and claim compensation for loss, taking care, for employees, of the procedures included in the art. 7 of Law No. 300 of 20 May 1970 (the Workers' Charter), the applicable collective labor contracts and any corporate regulations adopted by the Company.

2. GENERAL PRINCIPLES

2.1 Human Rights

The Company reputates the respect of the human individual as a priority. Conducts whose contents include discrimination based on political and labor opinion, religion, race, nationality, age, sex, sexual orientation, health condition, economic situation and, generally, any personal feature, are not admitted. The company recognizes the necessity to safeguard the individual freedom and condemns any activity which could implicate the exploitation or the reduction to a state of subjugation of any individual.

2.2 Compliance with Laws and Regulations

The company has as an imperative principle the respect of Law, regulations and all the regulatory provisions in force in Italy and in all those countries wherein the Company operates. The Addressees who conduct their duties abroad are expected to be aware of the laws of the specific country and with all the other laws, norms and regulations enforceable of other countries, including, without any limitation, Laws and regulations enforceable in the United States and Europe. In no circumstances, the missing acknowledge of laws and regulations establishes an exemption of responsibility.

2.3 Integrity, Honesty and Correctness

The Company demands compliance, to the Addressees, with the highest standards of individual and corporate integrity.

The Company does not approve or justify any threat or act of violence aimed at promoting conduct contrary to the legislation in force and/or the Code of Ethics.

The Addressees of the Code must be aware of the ethical meaning of their actions and must not pursue personal or corporate profit in violation of the laws in force or of this Code.

Addressees must act correctly and professionally, with respect of loyalty and correctness, within the internal and external relationships of the Company, in order to avoid situations of conflicting interests or in which they might pursue undue advantages or profits.

2.4 Transparency and Verifiability of operations

The principle of transparency is based on the thuthfulness, accuracy and completeness of information, both inside and outside the Company.

In accordance with the principle of transparency, all operations and transactions performed by the Addressees must be correctly recorded, authorized, verifiable, legitimate, coherent and congruous. In particular, it must be possible to verify the process of decision-making, authorization and performance.

The company makes all the efforts to implement a reliable administrative-accounting system and operates appropriate learning activities to the employees involved with accounting operations.

Accounting entries and documents must be based on accurate and exhaustive information, based on the nature of the related operation; moreover, they must be accompanied by the related supportive documentation, required to allow potential analysis and controls.

2.5 Excellence, Innovation and Performance

The principle of excellence refers to the capacity to provide the technical know-how and to employ this trigger to ensure the quality of the products and to work with method and passion, in accordance with rules.

The Company considers innovation as its strength and fosters all the employees to imagine new solutions concerning products/services/processes which can be effectively implemented, with a perspective of constant upgrading and with continued focus on the performance, in order to answer all clients' expectations in terms of performance and security.

2.6 Contrast to Corruption

The company refuses corruption as a method of conducting its own business. It's strictly forbidden to the Addressees any form of instigation, promise, offer of money or any other benefit, direct or indirect, of any kind to any public or private counterparty for the fulfillment (or even omission) of an act of his office, in violation of his own professional duties or loyalty, with the aim of receiving an advantage of any nature for the Company and/or for himself and/or for a third party, regardless of the fact that this action will be carried to completion.

Similarly, it is forbidden to the Addressees to accept money or any other benefit, economic as well as any other nature, for the Company and/or themselves and/or for a third part, if this is intended to influence the completion of an act. Gifts of modest value can be bestowed/accepted in accordance with Company procedures.

2.7 Preservation of intellectual property

The Company is aware of the importance of intellectual property and it respects and protects the content of any form of intellectual property concerning copyrights, patents, brands, commercial secrets or other immaterial goods.

2.8 Integrity in business. Fair competition

The Company acknowledges the value of competition based on principles of integrity, fairness and transparency in relation to the operators on the market, and strives, in accordance with the Group's guide to ethical conduct, to achieve a fair global market, by acting honestly and in accordance with the laws and regulations governing fair competition.

The Addressees must respect the antitrust legislation applicable from time to time and rules of fairness of competition and, for no reason, they can put in place acts or conducts opposed to a free and fair competition.

2.9 International trade. Relations with international operators

The Company undertakes to comply with all applicable international trade laws and regulations, including legislation covering the import and export of goods, software, technology, technical data and services. All control activities on international trade are applicable to any import or export activity, including those on electronic data.

The Company also guarantees that all its relationships, including those of commercial nature, with parties operating at an international level, are conducted in full compliance with laws and regulations in force in Italy and in the foreign country where the counterparty is based or operates its business, including, without limitation, export control laws and regulations of United States and European Union, as well as applicable laws of other countries.

2.10 Protection of Confidentiality and Privacy

The Company undertakes to protect the privacy of the Addressees and other parties whose data comes into its possession, by acquiring, processing and storing personal information and data in accordance with the legislation in force, in order to prevent unauthorized use and/or dissemination thereof.

2.11 Correct use of informatic systems

The company pursues the objective of the rightful utilization of informatic or telematic services and implements all the proper measures to ensure integrity and genuineness of the data processed, to ensure that the access to telematic and informatic data occur with the absolute respect of in force rules and privacy of the involved parties, as well as the the confidentiality of informations.

Employees, within the limits of their own functions/tasks, are responsible of the security of informatic systems and are obliged to the respect of in force rules and to the license agreement conditions.

2.12 Prohibition of divulgation and use of “price sensitive” informations

The Addressees are required to not divulgate “price sensitive” informations (news not publicly disclosed, with object, for instance, operations as acquisitions or divisions, financial or corporate information, etc...) of which they become aware directly, depending on their own function or from the activity operated, or even indirectly by third party communications.

2.13 Collaboration with Authorities

The Company bases its relationship with competent Authorities (Italian or foreign) on integrity and fairness. For this purpose, the Addressees must adopt all the required measures to provide the requested collaboration by Authorities, with limits and respect of the in-force law.

2.14 Proper use of corporative assets

The Addressees must protect and safeguard Company’s values and goods, avoiding situations which may influence negatively the integrity and security of the Company heritage. It’s forbidden the abuse of resources or corporate properties for purposes not related with corporate activities.

3. RELATIONS WITH CLIENTS

3.1 Rules of conducts

All the Addressees who have a relationship with clients must base this relation on principles of fairness, transparency, availability, courtesy, honesty, loyalty, professionalism and, in any case, to the respect of general principles of the Code of Ethics: human rights, financial integrity, protection of intellectual property, independent information and responsibility, competition.

In particular, bestowals, recognitions, acceptations of benefits, gifts, acts of courtesy and hospitality are forbidden, unless their value would be of modest entity.

Maximum transparency on commercial transactions with all the bargaining counterparts is one of the Company's principle. For this purpose, the Company adopts all the proper tools in order to contrast money-laundering and receiving. The Company repudiates any form of terrorism or criminal organization and undertakes to avoid any relation, professional and commercial, with actors involved in terrorism or criminal organization.

3.2 Clients satisfaction

The clients satisfaction must be the primary objective of the Addressees, in order to constantly improve the standard of the commercial offer and to remediate quickly and effectively to a potential discontent.

3.3 Quality and security of products

The Company aspires to the highest standard of quality, security and delivering of its products; for this purpose, all the data concerning quality are processed with precision and completeness.

The Company ensures a scrupulous observation of all the legal rules, regulations and technics, time to time applicable, and adopts proper control procedures.

3.4 Correctness of information

The Company recognizes as fundamental the protection of competition and the respect of the principles of honesty and fairness in commercial activities; it undertakes to operate its own enterprise activity respecting the freedom in industry, trade and market as well as collaborating with regulative Authorities of the market.

For this purpose, it is forbidden to the Addressees to keep a conduct in contrast with professional fairness, collusive, predatory, carried out with menaces or violence or abuse of authority and any other conduct that could alterate the loyalty and competitive balance of the market, or mislead the consumer about the origin and quality of the products.

4. RELATIONS WITH SUPPLIERS

4.1 Relations with suppliers

The Addressees who have contact with suppliers must act with utmost transparency and integrity.

In particular, the Addressees must not practice favoritism and must respect the principles established in the appropriate procedures.

The Company repudiates any form of terrorism or criminal organization and undertakes to not establish any work or commercial relationship with actors related with terrorism or criminal organizations.

4.2 Evaluation

The Company selects its suppliers on the basis of uses transparent and objective criteria (as competitiveness, quality and economic condition) respecting the current rules, internal procedures, this Code of Ethics and the Company 231 Model and through Company's tools and proper organizational structures.

4.3 Gifts

It is forbidden to the Addressees to receive bestows, recognitions, benefits (even in the form of promise), gifts, courtesies and hospitality, unless they would have an irrelevant entity/value (i.e. gadgets).

4.4 Social Obligations and Security Preservation

The Company is committed to preserving the health and security of its suppliers and their employees and collaborators adopting preventive action in accordance with the current legislation. The suppliers, besides accepting the principles of this Code of Ethics, must ensure the respect of the employees' rights and the preservation of child labor.

5. RELATIONS WITH EMPLOYEES

5.1 Human resources and team work

Human resources are recognized as a fundamental and indispensable value for the development of the Company. The Company promotes a work environment where the dignity of any individual is ensured and the employees' relationships are based on respect, fairness and collaboration. The Company protects the professional growth and development, promoting the spirit of innovation and the achievement of results through team work. The Company is committed to create and maintain a positive work environment and to enhance competencies, potentialities and the effort of all: for this purpose, the Company adopts clear and homogeneous criteria of evaluation and provides a proper training path.

5.2 Conflict of interests

Employees and members of Social Bodies must avoid to put in place operations with a conflict of interest with the Company, nor activities which could influence the capacity to take decisions in the best interest of the Company and with full respect of this Code of Ethics. The Addresses must communicate any conflict of interest to the competent corporate functions in accordance with internal procedures, even only potential or concerning familiar relations, of external working activity (for different Company than EPM S.r.l) or due to personal or familiar financial interests.

5.3 Confidentiality

It is forbidden to employees and members of Social Bodies to divulgate confidential informations or Corporate secrets to unauthorized third parties, even after the resolution of the employment agreement. Furthermore, it is forbidden using, directly or indirectly, confidential corporate information for personal interest or for the benefit of third parties.

5.4 Health and security preservation

One of the most important objectives of the Company is to ensuring work health and security and the respect of the current legislation/rules. Fundamental principles and criteria to guarantee health and security of the work place, in alignment with the 231 Model, are to: avoid risks, evaluate risks which could be avoided, contrast risks at source, take care of the technical evolution degree, replace what is dangerous with what is not dangerous or which is less dangerous, program prevention activities, assign correct priority to collective protective measures than to individual protective measures, providing proper formation to the personnel.

6. RELATIONS WITH THIRD PARTIES

6.1 Responsibility towards the collectivity

The Company operates taking into account the needs of the community where it runs its activity, contributing, where possible, to its sustainability.

6.2 Environmental preservation

The Company recognizes the importance of the environment and runs its activity on the basis of the respect of the environment and the current laws and regulations. Consequently, the Company acts according with a "zero damage" vision and it implements all the actions required for environmental protection to eliminate any potential detrimental environmental impact.

6.3 Relations with local and public institutions

The Addressees who have relations with Public Administration and with institutional counterparties, both Italian or foreign ones, must respect the principles of absolute clarity, integrity and fairness, with full respect of law and current legislation, as well as the 231 Model and the Code of Ethics, in order to ensure absolute legitimacy of the Company's work. The relations with institutional counterparties are held exclusively by subjects expressly entitled. In any negotiation or relation with Public Administration, it is explicitly forbidden to the Addressees to accept, offer or promise, even indirectly, money, gifts, services or favours, with the intention to influence the decisions, to obtain preferential treatments or acts or for any other purpose.

6.4 Relations with associations, labor organizations and political parties

It is forbidden to the Addressees to provide contributes, direct or indirect, to finance political parties, movements, committees and to labor or political organizations, nor their representants or candidates, financing associations or delivering sponsorship to manifestations or meetings having political propaganda as purpose, unless exceptional circumstances which must be properly authorized in accordance with corporate procedures. The Company can deliver contributes to third parties having social, moral, scientific and cultural purposes, after a scrupulous verification of the reliability of the applicant institution and with respect of corporate procedures.

6.5 Relation with agents and brokers

Company's agents and brokers have to respect all the principles provided by this Code of Ethics. In the relation with these subjects, the Company is committed to:

- observe the internal procedures for their identification and management;
- select only counterparties with a proper professional and reputational qualification;
- enforce the expected agreement conditions, in particular the compensation perceived by these subjects must be proportionate to the performance indicated by the agreement and payouts must be operated exclusively to the subject indicated by the agreement;
- verify the correct and complete execution of their performance before authorizing the payout;
- base the relation with these third parties to the principles of transparency, collaboration, integrity and fairness as indicated by this Code of Ethics.

7. IMPLEMENTATION OF THE CODE OF ETHICS

7.1 Communication and formation

The Company shares the Code of Ethics to all the Addressees and stakeholders in general, even through specific training initiatives.

The Addressees can, anyway, apply at any time to the Supervisory Board, writing to the address Piazza Filippo Meda 5, 20121 Milano (MI), to the kind attention of the members of the Supervisory Board, even by e-mail address odv.emerson@it.ey.com, or verbally, in order to ask explanation and information.

7.2 Monitoring and control

The Supervisory Board must check the implementation and respect of the Code of Ethics; in particular, it must:

- verify the respect of the Code of Ethics by the Addressees;
- formulate its own observations concerning ethical issues;
- provide clarifications and explanations in relation to the interpretation of the Code of Ethics or to the legitimacy of a personal conduct or the conduct of a third part;
- stimulate and coordinate the updating of the Code of Ethics;
- promote and monitoring Company's communication and training activities in relation of the Model and, in particular, the Code of Ethics.

7.3 Reports of violations

If someone, who is required to respect the Model and this Code of Ethics, would become aware about a fact which could be considered as a violation, even potential, of the Code, this conduct must be immediately reported to the Supervisory Board. These communications can be delivered through the following channels:

- by specific e-mail address (whistleblowing.emerson@it.ey.com) where to send eventual reports related to violation of the Model or of this Code of Ethics. This address will be used even to receive anonymous reports, from which is not possible to obtain the identity of the sender;
- by sending written communication, even anonymously, to the address: Piazza Filippo Meda 5, 20121 Milano (MI), to the kind attention of the members of the Supervisory Board;
- by on-line whistleblowing portal, which provides a guided path for the reporter.

In any circumstance, the Supervisory Board shall makes every efforts to avoid that the "whistleblower" would be victim of retorsions, discriminations or, anyway, penalties, ensuring the proper confidentiality for those subjects.

7.4 Violation and related sanctions

The Company implemented a specific disciplinary system, approved with the Model, to discipline the sanctions applicable to any violation of the Code of Ethics, in compliance with the requirements of Legislative Decree no. 231/2001 and suggested by the trade associations.