

CODE OF ETHICS

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1. PREAMBLE

1.1. THE COMPANY

This code, here below referred to as the “Code of Ethics”, sets out the ethical obligations and responsibilities assumed by those who work in collaboration with TOTO S.p.A. Costruzioni Generali as they conduct their business affairs and corporate duties, whether these be directors or employees of the Group. TOTO S.p.A. Costruzioni Generali operates in the sector of general construction and plays an important role in terms of both the scale and relevance of its activities in the development of this sector. Reaching the objectives defined by TOTO S.p.A. Costruzioni Generali requires commitment from all those who work for the company and more specifically: loyalty, professionalism, honesty, competence, transparency and complete respect for the law and relevant legislative provisions.

1.2. RELATIONS WITH STAKEHOLDERS

The presence of TOTO S.p.A. Costruzioni Generali in both national and international markets, the fact that it operates in a number of different contexts with multiple collaborators means that managing relations with stakeholders is of primary importance. Here the term stakeholder means any person, public or private, Italian or foreign – individuals, groups, companies or institutions – that have contact of any kind with the Group and/or interest its activities. TOTO S.p.A. Costruzioni Generali operates in full compliance with the laws (both Italian and those that govern the countries in which the Group is present), market regulations and the principles of competition law.

1.3. MAIN PRINCIPLES

Compliance with the law, transparency and correct management practice, good faith and cooperation with stakeholders are the ethical principles that TOTO S.p.A. Costruzioni Generali upholds. These principles have allowed the company to develop a model of conduct in order to compete effectively and legally on the market, to improve customer satisfaction, to increase company value for shareholders and build on the skills and increase the professional development of the work force. In particular, the conviction of acting out of the benefit of the company does not justify behavior that contrasts with the above-mentioned principles. All those who work for TOTO S.p.A. Costruzioni Generali, without distinction or exception, are therefore required to observe these principles within the ambit of their individual functions and responsibilities. This commitment is also required of those who come into contact, of any kind, with the Group, meaning that such persons will act according to rules based on the same values.

1.4. THE CODE OF ETHICS

TOTO S.p.A. Costruzioni Generali has considered it necessary and appropriate to adopt and issue a code of conduct that stipulates the values all directors, employees and collaborators of any kind must adhere to, accepting the responsibilities, structures, roles and rules contained within. The violation of any of these items means those involved will take personal responsibility for the consequences both inside and outside the company. Knowledge and observance of the code of conduct by all those who work for or with TOTO S.p.A. Costruzioni Generali are the fundamental conditions that safeguard the transparency and reputation of the Group. Furthermore, the code will be respected by all those with whom TOTO S.p.A. Costruzioni Generali conducts business affairs. The Code of Ethics serves as a reference, upon evaluation of possible risks of offence, both in terms of prevention, for the organization management and control system of the Group, and disciplinary action for violation of the principles contained within. This Code of Ethics has been adopted by TOTO S.p.A. Costruzioni Generali according to the provisions outlined in Articles 6 and 7 of Italian Legislative Decree no. 231 of 2001 and is based on the code of conduct drafted by Confindustria according to Article 6, Comma 3 (paragraph 3) , of the same Legislative Decree.

Supervising the implementation of the Code of Ethics and its application is the responsibility of the directors and employees of TOTO S.p.A. Costruzioni Generali, who will report any violation or lack of application to the specific "Supervisory Body". Checking the implementation of the code of conduct and its application is the task of the Board of Directors and company management, who will also be able to make additions or modifications to the content. It is the task of the Board of Directors to update the Code of Ethics in order to keep it in line with new legislation as well as the development of a general civil understanding of the issue. In particular, with regards to the offences outlined in Legislative Decree 231 of 2001 and its successive modifications, a Supervisory Body has been set up to check the effectiveness of the Organisation and Management Model adopted by TOTO S.p.A. Costruzioni Generali to prevent such offences.

1.5. COMPANY APPLICATION

The objectives set out by TOTO S.p.A. Costruzioni Generali are reachable when synergy is optimized by those working for the Group pooling their capabilities, within the ambit of each person's individual function and responsibility, and respecting the functions and responsibilities of others. This must occur in complete compliance with the legislation and values identified in the Code of Ethics.

To this end, this code also applies to any consortium company, formed to carry out commissions as a group or in association with other companies. The rationale behind these consortium companies is to ensure that the Code of Ethics is formally

adopted as a managerial tool and effective strategic element of the other companies' organisation. It therefore applies to any consortium company that TOTO S.p.A. Costruzioni Generali either controls or is part of and is binding for the conduct of all its collaborators. Moreover, TOTO S.p.A. Costruzioni Generali requires its main suppliers to use a conduct that is in line with the principles outlined in this Code.

2. GENERAL PRINCIPLES

2.1. COMPLIANCE WITH LAWS AND REGULATIONS

TOTO S.p.A. Costruzioni Generali operates in complete compliance with Italian law and the legislation affecting the countries in which it is present, in line with the principles outlined in the Code of Ethics and the procedures defined by its internal management control system. Moral integrity is an obligation for all those working for TOTO S.p.A. Costruzioni Generali and this characterizes the company's organizational behaviour. The managers and employees of TOTO S.p.A. Costruzioni Generali, as well as those who work in any way with the company, are therefore required, within the context of their respective competences, to observe the laws and regulations in all the countries in which the Group operates. This also includes the legislation that regulates competition both nationally and internationally. Relations with the authorities that operate on behalf of TOTO S.p.A. Costruzioni Generali must be managed in complete observance of correct practice, transparency and collaboration and in compliance with the laws and legislation and the institutional function of those authorities.

2.2. RULES OF CONDUCT

Tasks must be undertaken by all those working for TOTO S.p.A. Costruzioni Generali with maximum attention to professionalism, moral integrity and good management practice in order to safeguard the image and reputation of the company. The conduct and relations of all those who operate in the interests of TOTO S.p.A. Costruzioni Generali, inside or outside the company, must adhere to values of transparency, correct practice and mutual respect. In this context, it is the responsibility of the managers to provide an example for the entire workforce of TOTO S.p.A. Costruzioni Generali, abiding by the principles outlined in the Code of Ethics and respecting company regulations and procedures, ensuring that employees are clear about and up-to-date with these procedures. In particular, TOTO S.p.A. Costruzioni Generali asks its managers to propose investment opportunities and adopt industrial, commercial and managerial strategies for the realization of construction projects to increase the company's capital, technological assets and professional skillset. TOTO S.p.A. Costruzioni Generali guarantees its support in terms of providing

	information, allowing corporate bodies, auditing committees and internal control agencies as well as the supervisory authorities to carry out extensive and effective checks.
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<p>2.3. DISTRIBUTION AND OBSERVING THE CODE OF ETHICS</p>	<p>TOTO S.p.A. Costruzioni Generali promotes the observance of the Code of Ethics and the company's internal protocols as well as any updates or modifications by all managers, employees, collaborators, commercial and financial partners, consultants, clients and suppliers, requesting complete respect for this code and, in case of lack of compliance, providing adequate disciplinary or contractual sanctions. Those working for or with TOTO S.p.A. Costruzioni Generali are therefore requested to read and understand the Code of Ethics, asking for clarification if necessary from the appointed company function, and to observe and contribute to the enforcement of the Code by reporting any violation or violation attempt that they may come to know about.</p> <p>Moreover, TOTO S.p.A. Costruzioni Generali promotes and encourages collaboration among its employees in respecting, understanding and implementing the Code of Ethics and internal protocols, within the ambit of their respective competences and functions.</p>
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<p>2.4. CORPORATE GOVERNANCE</p>	<p>TOTO S.p.A. Costruzioni Generali adopts a system of Corporate Governance that conforms to the law and to best international practice. This aim of this system is to maximize value for shareholders, control company risk, ensure transparency in market operations and mitigate the interests of all stakeholders. Any modifications to the Corporate Governance system made following enforcement of corporate reform could lead to consequent modifications to this Code of Ethics.</p>
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<p>2.5. HONESTY AND IMPARTIALITY</p>	<p>Honesty is the basic ethical principle that underpins all corporate activity in order that TOTO S.p.A Costruzioni Generali may fulfill its mission. To this end, those who collaborate with TOTO S.p.A Costruzioni Generali are required to respect national and European laws, internal regulations and codes of conduct and, where applicable, standards of professional ethics. Under no circumstances is any violation of these items tolerated or justified by the Group. Relations with stakeholders must be managed upholding standards of correct practice, collaboration, loyalty and mutual respect. Decisions that influence relations with stakeholders are made without any discrimination based on age, sex, sexuality, health, race, nationality, political opinion or religious beliefs..</p>
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<p>2.6. PREVENTION OF CORRUPTION</p>	<p>TOTO S.p.A Costruzioni Generali forbids any action towards or on behalf of third parties intended to promote its own interests or derive advantage. The Group also forbids any action able to damage impartiality of judgment. To this end, the company is committed to providing all measures necessary to prevent and avoid acts of corruption and other behaviour that could constitute the offences outlined in Legislative Decree 231/01. TOTO S.p.A Costruzioni Generali therefore forbids the donation or acceptance of money, gifts and favours to or from third parties that are intended to draw direct or indirect advantage for the Group.</p>
<p>2.7. CAPITAL STOCK, CREDITORS AND THE STOCK MARKET</p>	<p>Guaranteeing the integrity of the capital stock, the interests of creditors and third parties in general is part of the ethical assets of TOTO S.p.A Costruzioni Generali.</p>
<p>2.8. PROTECTION OF THE COMPANY IMAGE</p>	<p>The good reputation and positive image of TOTO S.p.A Costruzioni Generali represent an invaluable resource for the company. The employees of TOTO S.p.A Costruzioni Generali must strive to act in accordance with the principles outlined in this Code in relations with partners, clients, suppliers and third parties in general, maintaining decorum that conforms to company standards relevant to the scale and significance of TOTO S.p.A Costruzioni Generali.</p>

3. HUMAN RESOURCES AND EMPLOYMENT POLICY

<p>3.1. DETERMINING FACTORS</p>	<p>Human resources are an indispensable element for the company and a critical factor for competing successfully on the market. Honesty, loyalty, capability, professionalism, technical qualification and dedication of the staff are the conditions that determine the achievement of the Group's objectives and represent the characteristics required by TOTO S.p.A Costruzioni Generali of its managers, employees and collaborators.</p>
<p>3.2. SELECTION POLICY</p>	<p>In order to contribute to the development of the company objectives and to ensure everyone follows those objectives by respecting the ethical principles and values the Group aspires to, company policy involves the selection of each employee, consultant and collaborator according to the characteristics and values mentioned above. In terms of the selection process, conducted respecting equal opportunities and without any discrimination based on candidates' private lives or opinions, TOTO S.p.A Costruzioni Generali works to ensure that new</p>

	<p>staff corresponds to the profiles required by the company, avoiding favouritism of any sort.</p>
<p>3.3. PROFESSIONAL DEVELOPMENT</p>	<p>During the course of the working relationship TOTO S.p.A Costruzioni Generali will strive to create and maintain the conditions necessary to develop the knowledge and skills of every employee, following a policy based on merit and equal opportunity and providing specific training programs to update and increase competences. Employees are therefore requested to be proactive in the acquisition of new skills, while managers and heads of department must be careful to value and increase the professionalism of their collaborators, creating conditions for skill development and fulfillment of staff potential.</p>
<p>3.4. HUMAN RESOURCES AND THE CODE OF ETHICS</p>	<p>TOTO S.p.A Costruzioni Generali constantly promotes observance and understanding of the Code of Ethics through dedicated functions and resources. The company also promotes observance of additional protocols and relative updates as well as the responsibilities attributed to the areas of activity of different functions, hierarchical structures, job descriptions and staff training. The information in the Code of Ethics and relative protocols is made available to employees through documentation that is given out. Employees are then asked to sign a declaration that subscribes to their having seen and received the document. TOTO S.p.A Costruzioni Generali also provides training programs for its employees about the Code of Ethics and the relative protocols. The employees are able however at any time to ask for clarification about the contents of the Code of Ethics, the protocols and related tasks asked of them. TOTO S.p.A Costruzioni Generali will provide the necessary information about the Code of Ethics as and when new consultants, collaborators or employees are contracted, with particular reference to the protocols that relate to the specific skills of those persons.</p>
<p>3.5. WORK ENVIRONMENT AND PROTECTION OF PRIVACY</p>	<p>Respect for the physical and cultural integrity of the individual is an important ethical value. TOTO S.p.A Costruzioni Generali strives to create a working environment that is secure and healthy, observing all laws relating to safety and the prevention of accidents to guarantee conditions of absolute safety to all those working for or with the company. TOTO S.p.A Costruzioni Generali is committed to ensuring that discrimination against the personal characteristics of any individual is devoid. To this end, Toto also guarantees the privacy of all employees as well as those who come into contact with the company, in</p>

	<p>terms of the information that regards their private lives and opinions, by respecting the relevant legislation. In particular, the dignity of workers is assured by respecting privacy in correspondence and interpersonal relations between employees, by banning interference in conferences and interviews and any meddling or forms of control that could harm individual personality. Any situation that falls below these safety standards in any working environment including building sites must be immediately reported to the person in charge, who will act quickly to rectify it.</p>
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4. CONFLICT OF INTEREST

<p>4.1. INDIVIDUAL AND COMPANY INTERESTS</p>	<p>The relationship between Toto and its employees is based on absolute trust and within this context it is of primary importance that employees use the company's assets and their own skills in the interests of the corporation, complying with the principles stipulated in the Code of Ethics, which represent the values Toto upholds. Therefore, managers, employees and collaborators of any kind must avoid any situation or activity that could put personal interest in conflict with that of the company, or interfere with objective and impartial decision-making. Situations of conflict of interest, apart from going against the law and the principles of the Code of Ethics, are detrimental to corporate integrity and therefore also to the corporate image. Managers, employees, and collaborators must therefore avoid any situation whereby the opportunity to combine activity leading to personal interest with the tasks defined by the company arises. The following items constitute conflict of interest, in terms of the employment relationship. This list serves to provide examples and is by no means exhaustive:</p> <ul style="list-style-type: none"> Profit-sharing – in the open or hidden – involving the employee or his relatives as supplier, client or competitor; Taking advantage of one's job position to develop interests that contrast those promoted by the Group; Using information acquired in working activity for personal advantage or that of third parties, which goes against the interests of the company; Undertaking of any work activity (lending manual or intellectual services) on behalf of clients, suppliers, competitors and/or third parties that goes against the interests of the company; ▣ Conclusion, finalization or entering into negotiations and/or contracts that can be attributed to the company and involve relatives or partners of the employee, or legal entities that he/she owns or represents.
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<p>4.2. PREVENTING CON-</p>	<p>In order to avoid any potential conflict of interest, upon em-</p>
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<p>FLICT OF INTEREST</p>	<p>mploying a new staff member or starting a new working relationship, Toto asks its managers, employees and collaborators to sign a declaration excluding conditions that could lead to conflict of interest between the individual and the company. This declaration also requires individuals to inform Toto immediately, via his/her superior, should they find themselves in a situation of effective or potential conflict of interest. Toto also asks whoever may come to know about situations of conflict of interest to communicate the fact, via specific protocols, to the body that controls the Code of Ethics.</p>
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5. OPERATIONAL PROCEDURES AND ACCOUNTING

<p>5.1. SPECIFIC PROTOCOLS</p>	<p>Specific protocols based on the code of conduct aim to prevent any situation or event that could have a negative impact on the company. These protocols are integrated and modified following an analysis of the company context in order to highlight risks afflicting the company, the existing control system and its effectiveness. Specific protocols are adopted by all those taking part in operative procedures within the terms required and described by the relevant job functions of Toto. The correct enforcement of the protocols allows the company to identify those individuals responsible for decision-making and authorization processes and those responsible for undertaking operations. To this end, it is necessary for each individual to carryout different operations in different phases, the competences of whom are clearly defined by the organization. In this way, the problem of assigning excessive or disproportionate power to single individuals is avoided.</p>
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<p>5.2. OBSERVING PROCEDURES</p>	<p>Managers, in particular executive managers, employees and those that have relations with Toto of any kind, are required to observe the procedures defined by the protocols, within the ambit of their respective job functions. In particular, company procedures have the function of regulating the way each operation or transaction is carried out. These operations and transactions must demonstrate legitimacy, authorization, coherence, congruity and correct registration and verifiability, also in terms of the use of financial resources, through the following methods: reconciliation, counter-signing, supporting accounting documentation, details about commercial agents, consultants and suppliers etc. Every operation must be supported by documentation that is complete, adequate and clear, to be kept as records in order to allow checks to be carried out regarding the motivation and character of the operation at any time. In this way it is also possible to identify who, during the various phases, authorized, effectuated, registered and verified the document. Respecting the guidelines outlined in specific protocols regarding the procedure flow to observe in terms of</p>
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	<p>development, decision and registration of events affecting the company and their relative consequences, aids the diffusion of control as a concept throughout the company at all levels. These procedures contribute to the improvement of managerial efficiency as a tool of support. Failure to observe the procedures stipulated in the protocols and Code of Ethics, to report immediately to the body that controls the Code of Ethics, compromises the trust between Toto and those who sustain business relations with the company.</p>
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<p>5.3. TRANSPARENCY IN ACCOUNTING</p>	<p>Truth, accuracy, completeness, and clarity are the elements necessary in order to ensure transparency in accounting, a fundamental value for Toto that gives partners and third parties a clear idea of the economic and financial situation of the company. In order to uphold this value, the documentation of the accounts to be recorded, supporting the entry, must be complete, clear, true, precise, valid, and kept as records, available for checks. The corresponding accounting entry must reflect completely, clearly, truthfully and accurately what is described in the supporting documentation. If there are economic assets based on estimates, the corresponding entry must be calculated reasonably and carefully, clearly showing in the relative documentation the criteria that led to the determination of that value. In the event of persons coming to know of omissions, falsification and irregularity in accounting records and basic documentation they are requested to report the fact promptly to the Supervisory Body. This also applies in the event of violation of any of the principles stipulated in the Code of Ethics or specific protocols. The aforementioned violations constitute rupture of the relationship with the company, leading to disciplinary action.</p>
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6. PROTECTION OF CORPORATE ASSETS

<p>6.1. CUSTODY AND MANAGEMENT OF RESOURCES</p>	<p>TOTO S.p.A Costruzioni Generali is committed to using all possible resources, in compliance with current legislation and the contents of the statute, to insure, increase and strengthen company assets, to protect the company itself, company partners, creditors and the market.</p>
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<p>6.2. ILLICIT OPERATIONS – CAPITAL AND SHARES</p>	<p>In order to safeguard the integrity of corporate assets, it is strictly forbidden, except when the law specifically allows it, to return equity to stockholders or release them from stake obligations; to share profits that have not effectively been obtained or that are destined for the legal fund reserve; to buy or subscribe for stocks and shares from holding companies; to</p>
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	<p>reduce the capital stock, to merge with or divide from companies violating the legislation that protects creditors; to create or increase the capital stock fictitiously; to satisfy, in case of closure, the demands of company owners, at the expense of the creditors. In order to prevent the above-mentioned items, TOTO S.p.A Costruzioni Generali is committed to ensuring that employees understand current legislation, the Code of Ethics and relevant protocols, providing specific information programs and updates about corporate offences.</p>
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7. RELATIONS WITHIN THE GROUP

<p>7.1. AUTONOMY AND COMMUNAL VALUES</p>	<p>TOTO S.p.A Costruzioni Generali operates independently from the other companies of the Group and therefore asks that they conform to the values expressed in the Code of Ethics in a spirit of collaboration and loyalty in order to achieve Group objectives, respecting current legislation. TOTO S.p.A Costruzioni Generali avoids any conduct that, being exclusively in its own interests, could damage the integrity or image of any of the other Group companies. TOTO S.p.A Costruzioni Generali asks in turn that the other Group companies adopt the same policy so that decisions or conduct that is to their exclusive benefit does not harm the integrity or image of other Group companies.</p>
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<p>7.2. COOPERATION AND COMMUNICATION</p>	<p>Those appointed with a social role by TOTO S.p.A Costruzioni Generali to fulfill inside the Group are required to participate diligently in the meetings they are invited to, to carry out their duties loyally and correctly, to facilitate communication between Group companies and to prompt and use synergies within the Group to work towards communal objectives. The distribution of information inside the Group, in particular regarding the balance sheet and other related communication, must comply with principles of truth, loyalty, correctness, completeness, clarity, transparency and prudence, respecting the independence of each company and their specific areas of activity.</p>
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8. INTERNAL CONTROL AND SUPERVISORY BODY

<p>8.1. INTERNAL CONTROL SYSTEM</p>	<p>The responsibility of developing an efficient internal control system according to Legislative Decree 231/01 is entrusted to the entire organisational structure, within which managers have the duty to involve employees and collaborators in the aspects concerning their skill areas. The term internal checks</p>
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	<p>means all the tools and activities needed to guide, manage and verify company activity in order to safeguard:</p> <p>Efficiency in company operations, in compliance with company strategies, objectives and policies, in order to protect company assets;</p> <p>Reliability of the company information system both in terms of its provision for the balance sheet and its provision for internal management reporting;</p> <p>Respect for the legislation relevant to the activity of the company;</p> <p>Reliability and accuracy of accounting records.</p> <p>The internal checks are divided into two types of activity:</p> <p>Line control, which occurs via individual operational units over the various processes;</p> <p>Internal auditing, which occurs via systematic checks and monitoring of line controls.</p> <p>All employees and collaborators, within the ambit of their job functions, are responsible for the definition and correct functioning of the control system. In particular, every operation must be accompanied by adequate, clear and complete documentation, to be kept as records, in order to allow checks on why and how operations are carried out to occur at any time. This also allows the company to identify who, during the different phases, authorised, effectuated, registered and verified the document. Managers, in particular managing directors, employees and collaborators, each according to their respective job functions and competences, are required to observe company procedures.</p>
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<p>8.2. 8.2. CHARACTERISTICS AND FUNCTIONS OF THE SUPERVISORY BODY</p>	<p>The task of supervising the functioning and observance of the management and organisation model adopted by the company according to Legislative Decree 231/01 is entrusted to the Supervisory Body, which is independent in initiating activities of control. The Supervisory Body operates impartially, with authority, continuity, professionalism and autonomy and to this end: it is free to access all information available to TOTO S.p.A Costruzioni Generali; it has the faculty to view documents and consult data; it can suggest modifications to the Code of Ethics and internal protocols, based also on suggestions from employees; it can effectuate checks on the functioning and observance of the model; it is provided with adequate staff and material in order to operate quickly and efficiently. The Supervisory Body also operates in absolute discretion and with the complete support of company top management, with which it collaborates independently.</p>
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<p>8.3. REPORTING TO THE SUPERVISORY</p>	<p>In order to guarantee the effectiveness of the organisational model via specific protocols, TOTO S.p.A Costruzioni Generali</p>
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BODY	(respecting the privacy and rights of the individual) has access to channels to be used by those who come across illicit behaviour. In this way employees can report the deeds freely, directly and in complete discretion to the Supervisory Body, which will check promptly and carefully in order refer the offender to the relevant company department for possible disciplinary action or termination of contract.
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9. EXTERNAL RELATIONS

9.1. RELATIONS WITH PUBLIC AUTHORITIES AND INSTITUTIONS

9.1.1. RELATIONS WITH AUTHORITIES AND THE PUBLIC ADMINISTRATION	Relations between the company and the public authorities must be managed in absolute compliance with the law and current legislation, with the principles stipulated in the Code of Ethics and internal protocols so that integrity and reputation are not compromised on either side. Attention and care are therefore fundamental elements in relations with: public officials or officials of public service, whether they operate on behalf of the Public Administration, legislative bodies, European institutions, international organisations or any foreign state, with the judiciary, legislating public authorities or other independent authorities, as well as any private concessionaries of public service. Particular attention is necessary in operations relating to: tender bids, contracts, authorization, licenses, concessions, requests and/or use and management of public funds (either national or European), management of commissions, relations with supervisory authorities or other independent authorities, social security bodies, entities that administer the collection of contributions, procedure for bankruptcy, and legal procedure for cases relating to both civil and criminal law. In order to avoid contrast with the law and damage to the image and integrity of the company, the above-mentioned operations and correlating fund management must be dealt with by specifically- authorized company functions, respecting legislation and the principles of the Code of Ethics as well as internal protocols.
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9.1.2. RELATIONS WITH POLITICAL AND TRADE UNION ORGANISATIONS	TOTO S.p.A Costruzioni Generali does not favour or discriminate against, directly or indirectly, any organization of political or syndical nature. The company abstains from providing contributions of any form, directly or indirectly, to political parties, movements, political or trade union committees and organisations, their representatives and candidates, except for those specifically provided for by the law.
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<p>9.1.3. PRESENTS, BENEFITS AND PROMISES</p>	<p>TOTO S.p.A Costruzioni Generali forbids all those connected with the company, working for themselves or in their own name, to accept, offer or promise, even indirectly, money, gifts, goods, services or favours that are improper, in relations with public officials or private entities to influence decisions. Any offer or request of money or favours of any type (including presents of significant economic value) formulated in an improper way to or by those working for TOTO S.p.A Costruzioni Generali, in terms of relations with the Public Administration (of Italy or abroad) and private entities (Italian or foreign), must be brought to the immediate attention of the Supervisory Body and relevant company function so that appropriate measures may be taken.</p>
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9.2. RELATIONS WITH CLIENTS AND SUPPLIERS

<p>9.2.1. CONDUCT IN BUSINESS AFFAIRS</p>	<p>Correct and transparent relations with clients and suppliers are an important factor contributing to the company's success. The selection of suppliers and goods, and the purchase of merchandise and services must occur in writing, according to the principles of internal procedures and this code of conduct and respecting the hierarchical structure of the company. In each case, selection must be based on parameters of quality, convenience, price, capacity and efficiency. In commercial transactions, particular care is requested, in the receiving and expenditure of currency, banknotes, credit instruments and general securities in order to comply with the obligations stipulated in the specific protocols and avoid the danger of falsified or distorted prices.</p>
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<p>9.2.2. PRESENTS AND BENEFITS</p>	<p>In business affairs with clients and suppliers, transfers of service in lieu of payment, benefits (direct or indirect), free gifts, acts of courtesy or hospitality, except for those that cannot be misinterpreted as seeking favourable treatment undetermined by market regulations, and thus not compromising the company image, are forbidden. Any gifts, acts of courtesy or hospitality must be communicated and approved by a superior. Employees that receive gifts or favourable treatment from clients or suppliers that go beyond ordinary courtesy must inform their superiors immediately, who will in turn inform the specific bodies and/or relevant company function so that the necessary checks may be carried out. Whoever gave the present or favourable treatment will then be contacted in order to relay the company policy on the matter.</p>
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10. CORPORATE INFORMATION

<p>10.1. INFORMATION ACCESS AND AVAILABILITY</p>	<p>TOTO S.p.A Costruzioni Generali, in line with current legislation, provides promptly and completely: information, clarification, data and documentation requested by company partners, clients, suppliers, public authorities, institutions, bodies and other stakeholders, within the ambit of their respective functions. All relevant corporate information must be promptly communicated to both the corporate bodies that control company management and the supervisory authorities. Clear and complete communication is necessary to guarantee correct practice in relations with: company partners, who, in accordance with current legislation, must be able to access relevant data; third parties that come into contact with the company, needing a clear understanding of the economic and financial situation; supervisory authorities and bodies that manage auditing and internal control systems, needing to carry out checks efficiently to provide a guarantee, not only for company partners, but for the entire market; and other companies of the Group, also for the purposes of the writing and publication of the balance sheet as well as the communication of other official documents.</p>
<p>10.2. COMMUNICATION OF INFORMATION FOR SHAREHOLDERS AND INVESTORS</p>	<p>TOTO S.p.A Costruzioni Generali guarantees all those interested in knowing about the company and the development of its economic and financial situation access to the relevant information and transparency of decisions made, according to the modalities outlined in internal protocols. With reference to shareholders and investors, communication of relevant circumstances and situations regarding company activity and its forecast for development must occur using a variety of well-diffused media forms such as the press and the Internet in order to provide the same level of information for everybody. Care and correct practice are fundamental in the diffusion of information that is of particular significance to the company: investment proposals, stock exchange listings and tender and exchange offers, as well as information that can have a significant impact on market trends or the financial credibility of the company. To this end, specific protocols provide for checks so that the communication of information necessary by law, information for company partners or the public about the economic and financial situation of the company, prospective requests for investment and published documents in the event of tender or exchange offers, is always truthful, complete and not misleading.</p>

11. RELATIONS WITH MASS MEDIA AND INFORMATION MANAGEMENT

<p>11.1. MODES OF CONDUCT</p>	<p>Relations with the press, the media and external agents in general must be managed exclusively by persons with that</p>
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	<p>specific function, in compliance with company procedures and regulations. Any request for information from the press or media received by TOTO S.p.A Costruzioni Generali personnel must be communicated to those in charge of external communication before taking action to answer the request. External communication must follow principles of truth, correct practice, transparency, prudence and must aim to increase knowledge of company policy and current programs and projects. It must conform to the law, the Code of Ethics, the relative protocols and the principles outlined regarding relations with public institutions in order to protect the company image.</p>
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<p>11.2. PRICE SENSITIVE INFORMATION</p>	<p>Any form of investment that is based on confidential company information is forbidden. Great care must therefore be taken in the communication of documents or information about company activity that is not in the public domain and that if made public could influence the price of credit instruments and the stock market. The communication of this information will occur via channels and persons of that specific purpose. Any behaviour that could facilitate insider trading is strictly forbidden.</p>
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<p>11.3. OBLIGATIONS RELATING TO CONFIDENTIALITY</p>	<p>All those operating on behalf of TOTO S.p.A Costruzioni Generali are asked to maintain strict confidentiality. This means abstaining from divulging or requesting inappropriately information about documents, know-how, research projects, company operations or general information learnt during normal working activity. Information learnt during normal working activity is considered confidential if its diffusion could provoke damage to the company or improper gains to the individual involved. Violation of the obligations relating to confidentiality by employees or collaborators seriously harms the company's trust in that person and could lead to disciplinary action.</p>
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12. VIOLATION OF THE CODE OF ETHICS AND APPLICATION OF SANCTIONS

<p>12.1. REPORTING VIOLATIONS</p>	<p>It is the responsibility of the company to ensure that nobody is the victim of retaliation, illicit conditioning, discomfort or discrimination as a result of having reported any violation of the regulations contained in the Code of Ethics or internal procedures to the Supervisory Body. The company will promptly undertake the necessary checks and adequate sanctions following the report of any violation.</p>
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**12.2. LINEE GUIDA DEL
SISTEMA SAN-
ZIONATORIO**

The violation of the principles stipulated in the Code of Ethics and failure to observe the procedures outlined in the internal protocols seriously damages the relationship between TOTO S.p.A Costruzioni Generali and its directors, employees, consultants, collaborators, clients, suppliers and commercial and financial partners. Any violations will therefore be dealt with immediately by adequate and proportionate disciplinary provisions, independently of the relevance of such breach of conduct to criminal law. The consequences of violation of the Code of Ethics and internal protocols must be taken seriously into consideration by those who maintain relations of any sort with TOTO S.p.A Costruzioni Generali. To this end, TOTO S.p.A Costruzioni Generali will publicize the Code of Ethics and the internal protocols and make sure employees are informed about sanctions in case of breach of conduct and the modality and procedure of applying those sanctions. Observing the standards contained in the Code of Ethics must be considered an essential part of contractual obligations for employees, in accordance with article 2104 in the civil code of Italian law. This also applies to any individual collaborating with TOTO S.p.A Costruzioni Generali. The violation of these standards constitutes breach of contractual obligations and/or disciplinary offence, with the relevant consequences provided for by the law, also in terms of protecting the relationship between employers and employees. TOTO S.p.A Costruzioni Generali is committed to providing for and applying sanctions proportionate to the offence and in compliance with the regulations governing work relations. In particular, in case of violation of the Code of Ethics by TOTO S.p.A Costruzioni Generali employees, the relative measures will be taken and relative sanctions applied according to article 7 of Law no. 300 (20th May 1970) of current legislation and the provisions established in collective bargaining. In order to protect the company image and safeguard its resources TOTO Spa Costruzioni Generali will not enter into relations of any kind with persons who do not intend to respect the current legislation and/or who refuse to behave according to the values and principles stipulated in the Code of Ethics and follow the procedures and regulations of internal protocols.