



TELIT
COMMUNICATIONS S.p.A.

Code of ethics

The Code of ethics is an integral part of this Organizational and Management Model (hereinafter the "Model") pursuant to Law Decree no. 231/2001 and has been approved at the Meeting of the Board of directors of Telit SpA of 24 April 2013. The contents of the Code of ethics are as follows.

Introduction

This Code of ethics of Telit SpA identifies major corporate values that the Company intends to comply with in the performance of its daily activity, besides the typical profitability objectives that characterise its legal status.

The objectives of this document are outlined by highlighting the set of rights, duties and responsibilities of all those who, under any title, operate for the Company vis-à-vis all the subjects that deal with the Company on a regular basis.

The adoption of this Code of ethics is the expression of a specific corporate choice, as the profile of Telit SpA is expressed by the Company's recommendation to all its representatives to act with a high level of professionalism and to abstain from behaving in a way that is at odds with legal regulations in general and the ethical rules of fair entrepreneurship that Telit SpA intends to promote, also through the widest dissemination and knowability to all those that will entertain relationships with the Company.

General rules and principles

Art. 1 - Principles of high entrepreneurial fairness

Also with regard to all the commercial relationships entertained with private and public counterparties, the Company is inspired by the behavioural principles of loyalty, fairness and transparency. Its employees and collaborators are aware of working in an entrepreneurial context, that is not only characterised by the pursuit of profit but also by the ethical requirements stated above.

Art. 2 - Value of good reputation and fiduciary duties

Good reputation proved by evidence, in all areas of its activity, is considered by Telit SpA an intangible resource that is fundamental for its operations. Key elements of good reputation are represented by active investment flows, customer loyalty, ability to attract top-level human resources, suppliers' trust, reliability for creditors. Internally, it is aimed at implementing decisions inspired by moral correctness of operating coexistence of all operators at all levels, as well as organizing work without unmotivated and bureaucratic controls exercising excessive authority.

Art. 3 - Applicability and compliance with the Code of ethics

This Code of ethics applies to all operators of Telit SpA which undertakes to implement appropriate procedures, regulations or instructions aimed at ensuring that the values stated herein are reflected in individual behaviour, providing for specific contractual clauses for employees, external consultants, collaborators and commercial partners, as well as the most appropriate penalty systems for potential violations of the code.

General ethical principles

Art. 4 - Honesty and abidance by the law and the Model

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In the performance of their work/professional activity all employees and collaborators of Telit SpA must comply with all applicable legal rules and regulations, this Code of ethics as well as all internal regulations, including the provisions of the Model set up in accordance with Law Decree no. 231/2001.

Under no circumstances can the pursuit of the Company's interest justify a conduct that is not in line with the principle referred to above.

In particular, the employees and collaborators Telit SpA are expressly required to:

- abstain from concealing or tampering with accounting documentation to prevent them from being verified by the Board of Statutory auditors and/or the external auditors;
- abstain from fraudulent or mendacious conduct in the preparation and drafting of the financial statements, the Notes, the Report on operations, and the other communications required by the law as well as the information statements;
- abstain from obstructing verifications on the Company by the Board of statutory auditors, shareholders and external auditors;
- abstain from using unlawful influence of the Shareholders' Meeting;
- abstain from conduct capable of preventing Public Supervisory Authorities from exercising their functions;
- abstain from behaving in such a way as to integrate (i) unlawful transactions concerning own shares or quotas and/or those owned by the Parent company; (ii) undue transactions that prejudice the creditors; (iii) a fictitious formation of share capital; (iv) undue restitutions of contributions; (v) illegal apportionments of profits and reserves.

Art. 5 - Moral legitimacy

Employees and representatives of Telit SpA must pay the utmost care to ensure they avoid circumstances where the subjects involved in transactions are in situations of conflict of interest or that might interfere with their ability to impartially take decisions in the best interest of the Company and fully complying with the provisions of the Code of ethics.

They must also abstain from taking advantage of deeds for the disposal of company's assets or of business opportunities they have become aware in the performance of their functions.

Telit SpA acknowledges and respects the right of their employees, collaborators and managers to take part in investments, business deals or other types of activities besides those carried out in the interest of the Company, provided that they are activities which are not forbidden by the law and contractual rules and are compatible with the obligations undertaken as employees, collaborators or managers.

Any situation that might represent or cause a conflict of interest must be promptly communicated by every employee, collaborator or manager to his/her own superiors or internal reference contacts and to the Supervisory Body according to the methods envisaged by the Model. In particular, all employees, collaborators and managers of Telit SpA must avoid conflicts of interest among the economic, personal and family-related activities and the office they hold within the structure they belong to. By way of non comprehensive example, the following situations cause conflicts of interest:

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- holding top management positions (managing director, director, manager) or having economic or financial interest with suppliers, customers, competitors or commercial partners of Telit SpA or companies of the Telit Group;
- using one's own position within the Company and the information obtained in the performance of one's own work so as to create conflict of interest between personal objectives and the interests of Telit SpA or companies of the Telit Group;
- carrying out work activities, of any kind, at the office premises of customers, suppliers, competitors of Telit SpA or companies of the Telit Group, public entities, public interest entities or organizations;
- accepting or offering cash, favours or benefits from people or companies that already entertain business relationships with Telit SpA or companies of the Telit group, or that intend to do so; holding public offices at entities that can have relationships with Telit SpA or companies of the Telit Group, so as to create conditions for a potential conflict of interest.

Art. 6 - Unfair competition

Telit SpA trusts the quality of the goods and services offered, as well as the ability and the commitment of its employees, collaborators and representatives; it acknowledges the value of free and fair competition and that abstains from unlawful agreements, discriminatory behaviour and any other kind of abuse of dominant position.

Art. 7 - Fairness and correctness in managing contracts

With regard to the relationships currently in place, anyone operating in the name and on behalf of Telit SpA must firmly abstain from taking advantage from contractual shortcomings, or unforeseen events, to renegotiate the agreements exploiting the position of dependence or inferior state of the counterparty. The same principle must hold for anyone who even just on behalf, and not in the name, of Telit SpA is in the position of executing contracts; therefore, also in that case, an interpretation or execution of a contract must be avoided if, taking advantage from some contractual shortcomings, exploits the position of dependence or inferior state of the counterparty.

Art. 8 -Value of human resources

The employees and collaborators of the Company represent key and irreplaceable assets for the success of Telit SpA that, therefore, safeguards and promotes the value of its human resources in order to improve and increase their skills. Without prejudice to the compliance with the principles established by the constitution to safeguard the individual and the worker as well as the provisions of the related national legal regulations and Community rules as well as those of the Model, Telit SpA's main concern is to promote the development of the potential of each resource and its professional growth by:

- respecting, also at the selection stage, the personality and dignity of each individual, avoiding the creation of situations where people can feel uneasy with regard to their free expression;
- the prevention of discriminations and abuses of any kind, based on race, religion, political and trade union affiliation, language, gender, sex and disability;
- training that is adequate to the office held;

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- a prudent, balanced and objective exercise, by those responsible for specific activities or organizational units, of the powers associated with the mandate received, including those relating to the management of internal discipline.

- correct and confidential use of personal data.

The methods adopted by the Company to remunerate those who provide their services in its interest exclude rewards that are such as to induce the recipients to pursue the achievement of specific results at all costs.

Art. 9 - Protecting the integrity of the person

Telit SpA attaches great importance to the physical and moral integrity of its employees and collaborators, working conditions that are respectful of the dignity of the human person as well as health and safety in the workplace; more specifically, any request or threat aimed at inducing people to act against the law, the Model, the Code of ethics, the convictions or moral and personal preferences of each individual will not be tolerated.

Art. 10 - Impartiality

In the relations with its counterparties, Telit SpA avoids any form of discrimination based on age, gender, sexual orientation, health, race, nationality, political opinions and religious beliefs of its interlocutors.

Art. 11 - Confidentiality and data processing

Telit SpA guarantees the confidentiality of the information it holds under whatever title and refrains from searching and processing confidential data, except for cases where express and informed consent has been granted or cases that comply with applicable legal regulations.

In addition to the above, its employees and collaborators must not use confidential information for purposes other than those related to the performance of their professional activity.

The management of the so-called *price sensitive* information (i.e. information and documents that are not publicly available and, if disclosed, would significantly affect the price of the financial instruments issued or have an impact on the activities of Telit SpA or companies of the Telit Group) and *business sensitive* information (i.e. information and documents concerning products, brands, suppliers, development projects and the organization of the Company or the companies of the Telit Group) is carried out in accordance with the provisions of applicable legal regulations, internal rules, including the Model, and, in any case, so as to prevent and avoid causing prejudice to the company's value.

Art. 12 - Environmental protection

Telit SpA plans its activities seeking the best possible balance between economic initiatives and environmental needs, considering the rights of present and future generations.

Thus, Telit SpA undertakes to prevent environmental risks in accordance with applicable legal regulations but also taking account of the advancement of scientific research and the best experience in the subject matter.

Behavioural rules

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Art. 13 - Clients

Telit SpA's objective is to meet its clients' needs providing them with quality services that are good value for money and fully comply with the rules and regulations that apply to the markets in which it operates. The high performance standards are also ensured through the external certification of the quality of processes; Telit SpA pays particular attention to the regulations governing consumer protection, information on the services offered and related advertising.

Telit SpA endeavours to ensure that courtesy, attention, fairness and clarity of communication are distinguishing features of its relationships with clients. In particular, the Company's operators must refrain from offering gifts or other benefits that might cause embarrassment, influence decisions or raise doubts about their conduct not being transparent or impartial; low value gifts are allowed in accordance with company's uses and regulations.

Art. 14 - Suppliers

The objective of Telit SpA's purchasing policies is to buy products, materials, works and services at more advantageous conditions in terms of "value for money". However, this objective must be pursued along with the need to enter into relationships with suppliers that ensure operating modalities that are compatible with the respect of both human rights, workers and environment. To this end, as regards suppliers, Telit SpA undertakes to behave in such a way as to respect human rights, workers, the environment and the law in general.

Telit SpA has its list of suppliers regularly audited in order to ensure that such list is screened, cost-effective and efficient. Thus any supplier that possesses the necessary requisites should be given the possibility of competing to offer its products/services.

As regards suppliers, in the case of very important contracts of work and consultancy, the reasons behind the selection of the supplier and the considerations concerning the price charged should be adequately formalised and supported by adequate documentation, in accordance with Company procedures, including the provisions of the Model. In particular, purchasing managers must abstain from asking for and/or accepting gifts or other benefits that might cause embarrassment, influence their decisions or raise doubts about their conduct not being transparent or impartial; low value gifts are allowed in accordance with company's uses and regulations.

Art. 16 - Public Administration

In accordance with the respective roles and functions as well as the utmost spirit of collaboration, Telit SpA entertains relationships with Public Administration offices, competition authorities and supervisory bodies, public entities, local entities and administrations, public law organizations, public work or service concessionaries and private subjects which are ruled by public law.

These relationships must be inspired by criteria of utmost transparency and complete professionalism, the recognition of respective roles and organizational structures, also for positive discussions aimed at basically complying with applicable legal regulations.

Telit SpA prohibits the offering, either directly or through intermediaries, of sums of money or other gifts to public officials or those in charge of public services in order to influence them in the performance of their duties (to induce them to act in a certain way, or else delay or omit to act).

In this respect Telit SpA, being inspired by legal regulations but pushing beyond the expressed provisions, implements measures aimed at preventing behaviour by those acting in the name and Telit Communications S.p.A.

on behalf of the Company, that might in any way amount to corruption of public officials or officers in charge of public services.

Gifts and acts of kindness or forms of hospitality towards Government representatives, public officials, and civil servants, are prohibited unless they are of low value and are such that they do not prejudice the integrity or the reputation of one of the parties and cannot be interpreted, by an impartial observer, as aimed at obtaining undue advantages and/or benefits in an improper way.

In addition, Telit SpA prohibits fraudulent behaviour aimed at enabling the company to unduly obtain public subsidies, however described, and use the same for purposes other than those for which they were granted.

Contributions and funds granted for public and welfare purposes must be within the limits allowed by the law and authorised in advance by the Board of directors or the company functions responsible for that area.

Art. 17 - Ethical commitment of the Corporate bodies

A fair and effective application of this Code of ethics is possible only with the commitment and involvement of the entire structure of Telit SpA. As a result, every management body of the Company must ensure that all behaviour is in line with the ethical principles of the Code in question and collaborate with the bodies that are responsible for its implementation and control, or the Board of directors, the Board of Statutory auditors and the Supervisory Body provided by the Model.

Art. 18 - Responsibility of the Board of Directors

With regard to this Code of ethics, the Board of directors of Telit SpA:

- receives the annual work plan and internal verification reports of the Supervisory Body that will contain information on the effectiveness, adequacy and implementation stage and compliance with the Code itself and the Model, with the related revision, integration and amendment proposals;
- receives from the Supervisory Body reports of possible violations of the Code of ethics and of the Model, together with a summary report and the recommended sanctions;
- regularly evaluates the communication and ethical training plans;
- decides upon each of the previous points as well as on how to improve the structure of the applicability and development of the Code of ethics either directly or, as an alternative, by entrusting other people with the responsibility for such valuations and decisions.

Art. 19 - Communication and internal training

Specific communication activities are envisaged to promote the knowledge of this Code by all employees as well as internal and external collaborators.

These activities are an integral part of the institutional plan of internal and external communication prepared by the company functions in charge of this corporate area and are activated as soon as the Code of ethics is released and every time a revised version is issued. To facilitate the correct understanding of the Code of ethics by the employees and collaborators of Telit SpA, the Board of directors, also relying on the help of other internal company functions, prepares and disseminates a training plan aimed at promoting the knowledge of ethical principles and behavioural rules.

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A copy of this Code of ethics is delivered to all the employees and collaborators of the Company.

Similarly to what happens to communication, when significant amendments are made to the Code of ethics and the legal regulations related to it, a training course is organised for all the employees and collaborators of Telit SpA.

Art. 20 - References

As for all matters not expressly provided for in this Code of ethics, please refer to the provisions set out in the Model.

In the case of conflict between this Code of ethics and the Model, the latter will prevail.