

DAIKIN APPLIED EUROPE S.p.A.

CODE OF ETHICS

INDEX

1. GENERAL PROVISIONS	3
1.1 The Ethical Code of Daikin Applied Europe S.p.A.	3
1.2 Recipients and field of application.....	3
1.3 Dissemination and implementation.....	3
1.4 Monitoring of compliance and implementation of the Code of Ethics	4
2. THE RELEVANT ETHICAL PRINCIPLES	5
2.1 Introduction	5
2.2 Compliance with current laws and regulations	5
2.3 Loyalty and fidelity.....	5
2.4 Conflict of interest	5
2.5 Obligation of confidentiality.....	5
2.6 Protection of confidentiality	6
2.7. Protection of intellectual property.....	6
2.8. The anti-money laundering obligations.....	6
3. RULES OF CONDUCT IN INTERNAL RELATIONS	7
3.1 Protection of human resources.....	7
3.2 Protection of health and safety in the work places	7
3.3 Protection of the environment.....	7
3.4 Protection of company assets and IT resources.....	8
3.5 Protection of integrity, probity and professional transparency	8
3.6 Protection of accounting and financial operations	8
4. RULES OF CONDUCT IN EXTERNAL RELATIONS.....	9
4.1 Relationships with Clients	9
4.2 Relationships with Suppliers and Consultants	9
4.3 Relationships with the Public Administration	9
4.4 Relations with Supervisory Authorities	9
4.5 Relationships with Political and Trade Union Organisations.....	10
5. VIOLATION OF THE CODE OF ETHICS	11
5.1 Disciplinary system	11
5.2. Reports to the Supervisory Authority.....	11

1. GENERAL PROVISIONS

1.1 The Ethical Code of Daikin Applied Europe S.p.A.

The Code of Ethics defines the set of ethical principles and values which inspires Daikin Applied Europe in the conducting of its business and sets out the rules of conduct that are to be observed by all those who work and collaborate with the Company in order to maintain the high image and reputation that the Company has acquired and consolidated over the years both nationally and internationally.

Therefore, Daikin Applied Europe, in order to deliver its skills and professional growth, grow the Company's value and preserve its market competitiveness, asks its internal staff, suppliers and all those connected with the Company through close commercial relationships, to share and respect the provisions contained in this Code.

Daikin Applied Europe points out that the Code of Ethics is an official document approved by the Board of Directors and what is defined in it represents the basis of the Model of Organisation and Management adopted by the Company pursuant to what is set out in art. 6 and 7 of Legislative Decree no. 231/01 and cognisant of the Guidelines prepared by Confindustria. Any change to the Code of Ethics shall be approved by the Governing Body of Daikin Applied Europe.

1.2 Recipients and field of application

The Code of Ethics applies in Italy and in all countries in which Daikin Applied Europe is operating, including with the necessary updates.

Compliance with the provisions they contain is incumbent upon directors, auditors, employees and, more generally, all staff of Daikin Applied Europe regardless of the type of contractual relationship they have with the Company. The provisions of the Code are also binding on partners, external consultants and third parties with whom the Company maintains a business relationship on the basis of contractual agreements.

1.3 Dissemination and implementation

Daikin Applied Europe is committed to the dissemination of this Code to all recipients by providing them with all the tools that may prove useful for its correct interpretation. The Company shall disclose the Code of Ethics through internal communications, newsletters, training activities and its publication on the company website.

Internal employees are required to give effect to the provisions laid down in the Code of Ethics to the extent that these rules derive from current regulations, collective bargaining agreements and internal procedures. Compliance with the provisions of this Code of Ethics shall be considered an integral part of the contractual obligations assumed by the Company's staff, pursuant to art. 2104 of the Civil Code. Failure to comply will be considered a serious breach of contractual obligations and a source of tort and personal liability.

Consultants, suppliers and business partners are also required to observe the rules of conduct laid down in the Code of Ethics on the basis of contractual agreements in which appropriate sanctions will be provided and, in cases of serious violations, the inclusion of express termination clauses.

1.4 Monitoring of compliance and implementation of the Code of Ethics

Daikin Applied Europe has established the Supervisory Board pursuant to art. 6, paragraph 1, letter b) of Legislative Decree no. 231/01 which is responsible for auditing, monitoring, and proposing improvements for updating the Code of Ethics. The Supervisory Board is responsible for ensuring compliance with the standards and principles set out in this Code.

Supervision of the implementation of the Code of Ethics and its application however, rests with directors and personnel within the Company which are required to report any violations or failure to comply with the provisions it contains to the Supervisory Board.

2. THE RELEVANT ETHICAL PRINCIPLES

2.1 Introduction

The principles on ethics and behaviour defined in this Code have primary and absolute value. Therefore, the conviction to act in the interest or advantage of Daikin Applied Europe does not excuse the adoption of conduct that is contrary to them.

2.2 Compliance with current laws and regulations

Daikin Applied Europe performs its activities by guaranteeing compliance with current laws and regulations of the countries in which it operates. The Company requires staff to know the laws, regulations, internal rules, and regulations that affect their jobs and to promptly report to the Supervisory Board any cases of coercion or inducement to breach the law.

2.3 Loyalty and fidelity

Daikin Applied Europe and its staff collaborate in a spirit of reciprocal loyalty, trust and fidelity. Consequently, it is expressly prohibited for any employee to carry out activity contrary to the interests of the Company or those that are incompatible with their official duties.

2.4 Conflict of interest

The decisions and business decisions taken on behalf of Daikin Applied Europe should aim to be in its best interest, therefore, recipients of this Code shall avoid any possible conflict of interest, including any personal or family interest that may affect the independence judgement in deciding what is the best interest of the Company and the most appropriate way to achieve it.

Any situation that gives rise to a conflict of interest must therefore be immediately reported and anyone who becomes aware of a conflict of interest must notify the Supervisory Board.

2.5 Obligation of confidentiality

Employees and other recipients are obliged not to reveal any information concerning technical, technological and commercial knowledge of Daikin Applied Europe, as well as other non-public information relating to the same, except in cases where such disclosure is required by laws or other regulations, or where it is expressly provided for under separate agreements.

With regard, however, to confidential information belonging to other companies and which Daikin Europe Applied becomes aware of as a result of business relationships with them, the following behaviours shall be observed:

- employees and staff may not disclose confidential information to other companies except as authorised by them on the basis of written confidentiality agreements;
- employees and contractors are required to respect the trade secrets and confidential information of their former employers, and shall not use this information for the benefit of the Company.

Confidential information means: financial data, sales figures for individual products or groups of products, new products in the pipeline, new areas of expansion, list of suppliers, customer lists, payroll data, plans for capital investment, changes in the Company's management or policies, research details, development and testing, manufacturing methods, or any plans that can improve our products.

2.6 Protection of confidentiality

Daikin Applied Europe is committed to processing your personal data and confidential information gathered in the course of its activities, in compliance with applicable laws regarding the protection of confidentiality.

To this end, the Company has adopted very stringent security measures in the selection and use of its information technology systems used for the processing of personal data and confidential information.

2.7. Protection of intellectual property

Daikin Applied Europe acts in compliance with and to protect the intellectual property rights and asks recipients to observe the following conduct:

- to adopt all the necessary measures to protect and safeguard the Company's intellectual property (patents, marks, trade names, copyright, etc.) since these constitute an important part of the Company's assets;
- to respect the intellectual property of others during the development of new products and technology, using licences obtained legally and by observing the user limits specified in them.

2.8. The anti-money laundering obligations

Daikin Applied Europe, in compliance with anti-money laundering laws, prohibits the recipients of Code those activities that may involve money laundering, namely the acceptance of proceeds from illegal activities and their subsequent treatment.

Daikin Applied Europe has established that its employees should check in advance the available information (including financial information) on their trading partners, in order to ascertain their respectability and legitimacy of their business.

3. RULES OF CONDUCT IN INTERNAL RELATIONS

3.1 Protection of human resources

Daikin Applied Europe, cognisant of the central and decisive role assumed by the human resources in achieving success by any company, devotes a great deal of attention to personnel management which requires professionalism, loyalty, honesty and a spirit of cooperation.

In respect of fundamental human rights, Daikin Applied Europe follows what is stipulated in national and international standards in the field of labour law and encourages the development and professional growth of each employee through respect for the person's physical and moral integrity, by prohibiting any denigratory, smearing or vexatious conduct and by offering equal employment opportunities, training, and professional development.

The decisions taken in the management and development of staff, as well as the assessment for recruitment and access to jobs and/or duties, are based on the skills and capabilities of candidates and by matching their profiles with those required, all in accordance with the principles of fairness and equal opportunity.

It is strictly prohibited to abuse positions of authority and coordination, and each resource is required to collaborate in creating a work environment that fully meets the requirements described above and demonstrates conduct based on the principles of civil co-existence and full collaboration and cooperation in relationships with colleagues.

3.2 Protection of health and safety in the work places

Daikin Applied Europe carries out its activities in full compliance with the provisions of art. 2087 of the Civil Code and Legislative Decree no. 81/08 Consolidating Act on health and safety in the workplace, as well as other applicable laws and regulations.

The Company undertakes to disclose and disseminate among its staff a culture of health and safety at work promoting knowledge and awareness of the risks that each runs in the performance of their duties, requiring the implementation of responsible behaviour by staff and verification and monitoring of compliance with laws and company procedures. As a further guarantee of the commitments made, Daikin Applied Europe has voluntarily adopted a system of safety management in the workplace in accordance with standard BS OHSAS 18001, and despite the obligations not being delegated by law, has defined roles and responsibilities, by appointing qualified persons.

Recipients of this Code are, as part of their duties, required to participate in the process of prevention and identification of risks relating to health and safety at work by themselves, with their colleagues and third parties, and to comply with the provisions set out in the Consolidating Act 81/08 on health and safety in the workplace, to observe the rules and instructions issued by the Company, to use personal protective equipment when appropriate, to undergo health checks, not to perform dangerous manoeuvres or those not envisaged by their duties on their own initiative, and to participate in corporate training programmes.

Third parties under contract to perform work or services on behalf of Daikin Applied Europe are also expected to require compliance with the current legislation on health and safety in the workplace.

3.3 Protection of the environment

Daikin Applied Europe pursues the principle of the protection and preservation of the environment in its activity, which are expressed and accomplished through strict compliance with current environmental legislation. The Company has adopted an Environmental Management System in accordance with UNI EN ISO 14001 and strives to maintain it updated both in order to improve their environmental

performance, and to prevent unlawful activities that may cause harm to the environment and incur the company's liability pursuant to Legislative Decree no. 231/01.

3.4 Protection of company assets and IT resources

Employees and associates of Daikin Applied Europe are expected to act diligently in the use of corporate assets. Everyone is held responsible for the functionality and protection of the resources entrusted and must comply with company guidelines and operating procedures.

The goods and services, including software and applications, that the Company provides must only be used for company purposes. Therefore, it is forbidden to use the tools provided (programs, e-mail, internet, phone, fax, etc.) not for purposes other than work-related. It is also prohibited to install programmes or download unauthorised software, or different from those provided by the Company, and surf internet sites with indecent content, relating to gambling, or otherwise unlawful content.

Those who, in the exercise of their functions, have received personal passwords procedures, applications, or enterprise software, which provide for the exercise of powers of disposition or authorisation or even just information, are obliged to keep them safe and to abide by the rules and internal recommendations regarding their correct use.

3.5 Protection of integrity, probity and professional transparency

Daikin Applied Europe requires its staff, partners and anyone carrying out business with the Company to behave with integrity, correctly and transparently. It is strictly prohibited for staff to offer, give, solicit or accept, even through third parties, gifts, gratuities or other benefits and personal utilities that are connected with the activities for Daikin Applied Europe, except in the case where it is a gift or benefits of modest value and are permitted because they are considered a manifestation of common courtesy.

The prohibition applies to what is given (or received from) each person, i.e.: other employees and collaborators, employees and future employees, civil servants, public officials, customers, suppliers and all persons with whom the Company has, or might have, corporate relations.

There is, in any case, the requirement for everyone to report any form of solicitation or offer of particular offers of proposals, received either direct or indirectly, to the Supervisory Board.

3.6 Protection of accounting and financial operations

Daikin Applied Europe believes it to be of fundamental importance that the management of the accounting and financial operations is carried out in compliance with the principles of lawfulness, transparency and traceability.

Those who are involved in activities related to invoicing, accounting records and handling of cash flows are required to operate within the powers conferred on them, to act with transparency in performing accounting and financial operations, keeping true and accurate records and making sure they are always accompanied and justified by adequate supporting documentation.

Behaviour, including omissions, which may lead to the recording of fictitious or non-existent transactions, the recording of insufficiently documented operations, the execution of payment instructions, transactions or other activities of an accounting or financial nature and not supported by clear authorisations is prohibited.

Daikin Applied Europe guarantees that the financial statements are prepared in accordance with current regulations and with observance of the principles set out in art. 2423 et seq., of the Civil Code.

4. RULES OF CONDUCT IN EXTERNAL RELATIONS

4.1 Relationships with Clients

Daikin Applied Europe considers it essential that the relationship with the customer is based on the principles of loyalty, integrity, availability, and compliance as well as on the full sharing of the principles expressed in the Code of Ethics in order to build a collaborative and highly professional relationship. For these reasons, Daikin Applied Europe will be able to maintain business relationships only with those customers who, based on the information gathered, are considered serious and reliable.

Company personnel must always act with integrity, fairness and transparency in any relationship with the customer. Employees and contractors are required to protect the rights and interests of the customer and provide them with detailed, clear and truthful information with respect to the services provided so that it can make informed decisions.

4.2 Relationships with Suppliers and Consultants

The relationship of Daikin Applied Europe with the Supplier is founded on respect and sharing of the ethical principles contained in this Code. Daikin Applied Europe requires its suppliers to comply with the provisions of the laws and regulations regarding health and safety in the workplace, with particular attention to child labour.

The selection of the potential supplier is based on objective assessments such as quality, price and professionalism. Exemptions may be made in cases of assignments to professionals/consultants (e.g. lawyers) when the element of trust is prevalent. In any case all fees and amounts paid to suppliers or professional advisers should be properly documented, proportionate to the activities carried out and in line with the terms offered by the market.

In business relationships with suppliers and consultants it is strictly forbidden to bestow gifts, benefits, utilities, or acts of kindness and hospitality, unless they are of such a nature that it cannot be interpreted as being aimed at obtaining favourable treatment.

4.3 Relationships with the Public Administration

The relationships of Daikin Applied Europe with national, Community and international Public Administrations, as well as with public officials and the people in charge of a public service, either Italian and foreign, are based on compliance with applicable law and the general principles of fairness and transparency.

It is strictly prohibited for recipients of this Code to promise or offer, directly or through intermediaries, sums of money, goods or other assets to representatives of Public Institutions and the Public Administration to promote and advance their own interests and benefit or for the purpose of jeopardising the impartiality or independence of judgement of the institutions themselves.

This prohibition does not apply only in the event that they are gifts of modest value and are offered on special occasions (e.g. Holiday season), according to custom.

4.4 Relations with Supervisory Authorities

Those acting for and on behalf of the Company before the judicial authorities, including any legal and/or external experts, are obliged to respect the principles of fairness and probity of art. 88 of the Code of Civil Procedure. It is prohibited to engage in, or induce others to engage in, corrupt practices of any kind.

In cases of a civil, criminal, administrative, and fiscal nature and in the course of judicial or extrajudicial proceedings in which the Company is a party or third party, the person entitled to act for and/or on behalf of the Company must not in any way engage in behaviour - such as those described above - towards magistrates, clerks and bailiffs, with the intent of inducing them to adopt measures that deliver illegal benefit to the Company.

4.5 Relationships with Political and Trade Union Organisations

Daikin Applied Europe bases its relationship with Political and Trade Union organisations on principles of maximum transparency. It shall not apply pressure to politicians or subsidise parties, their representatives or candidates, to organise meetings whose sole aim is political propaganda.

Relations with the Trade Unions must take place in conditions of mutual respect and be conducted with the greatest possible transparency and respect for the roles and responsibilities of each party.

5. VIOLATION OF THE CODE OF ETHICS

5.1 Disciplinary system

Daikin Applied Europe does not allow violations of the express provisions of this Code.

In compliance with the provisions of article 6, paragraph 2, letter e) of Legislative Decree no. 231/01, the Company has introduced a disciplinary system to punish non-compliance with the measures set out in the approved Model of Organisation and Management. The disciplinary system adopted pursuant to Legislative Decree no. 231/01 must also be considered suitable for punishing non-compliance with the provisions set out in this Code of Ethics, as this document should be considered an integral part of the Model of Organisation and Management.

Therefore, any violation of the Code of Ethics by employees will result in disciplinary action and possible disciplinary sanctions in accordance with the rules contained in article 7 of Law 300/7 and the provisions contained in the applicable collective labour contracts.

The breaches of the provisions of the Code of Ethics on the part of suppliers, external collaborators and consultants shall, however, be punished in accordance with what is stipulated in the related job descriptions or contractual agreements.

5.2. Reports to the Supervisory Authority

Daikin Applied Europe, in compliance with art. 6, paragraph 1, letter b) of Legislative Decree no. 231/01, has nominated the Supervisory Board which is responsible for monitoring compliance with the principles and behaviours set out in this Code of Ethics by the recipients. The Supervisory Board, therefore, must be informed of any conduct that is not compliance with what is prescribed in it.

In order to facilitate such an exchange of information, Daikin Applied Europe, while respecting privacy and individual rights, has set up privileged information channels to allow all those who are aware of any violations of the principles expressed in this Code, to make reports directly to the Supervisory Board.

Following reports the Supervisory Board is required to carry out the necessary investigations and to protect the whistle blower from any form of retaliation, discrimination or penalty except, of course, from lawful obligations.

Reports about the violation, or suspected violation of the requirements contained in the Code of Ethics must be made in writing and in a personal way and, possibly, not anonymously in the manner shown below:

- to e-mail address: odv231@daikinapplied.eu;
- by ordinary post sent to: Supervisory Board of Daikin Applied Europe S.p.A. Via Piani di S. Maria, 72 Ariccia (RM), Italy;
- by ordinary post sent to: Supervisory Board of Daikin Applied Europe S.p.A. Via Di Vittorio n° 8, Loc. Caleppio di Settala - Settala (MI), Italy.