

# **FUEL SYSTEMS SOLUTIONS, INC.**

## **CODE OF CONDUCT**

**September 2013**

Dear Colleagues,

At Fuel Systems Solutions, Inc. (“Fuel Systems” or the “Company”), we are all responsible for understanding the important ethical and legal issues that affect our business and for acting with integrity at all times in achieving our business goals. Integrity is one of our core values and means more than simply complying with laws. We are committed to conducting ourselves with integrity to earn the trust and respect of our customers and business partners. This is enabled by the actions of each and every one of us.

As you are aware, Fuel Systems is a worldwide leader in providing alternative fuel systems for transportation, industrial and refueling applications. We supply our products and systems to the market place in more than 60 countries. Being involved in so many different geographic areas and give the recent increase in various governmental rules and regulations, this Code of Business Conduct and Ethics (the “Code”) is an essential resource for all of our colleagues. It outlines Fuel Systems’ policies on business conduct and identifies the people who can answer any questions you might have about compliance related issues. I am asking that you familiarize yourself with the Code to help ensure that you remain in compliance with all Company policies and procedures that apply to your work. If you have any concerns related to Company practices or regarding the actions of someone in the Company, you should feel free to discuss those actions or concerns with our Chief Financial Officer or through the Ethics/Whistleblower Hotline. Our policy prohibiting retaliation is in place to encourage and protect our colleagues who raise concerns regarding possible violations of this Code or another Company policy.

Our commitment to meeting the highest standards of personal and professional integrity, which means complying with both the spirit and the letter of this Code and the laws that govern our industry, gives us a competitive advantage in achieving our business goals. This commitment and responsibility is shared by all of us.

Mariano Costamagna  
Chief Executive Officer

## **TABLE OF CONTENTS**

	PAGE
POLICY STATEMENT .....	1
Foreign Laws, Rules and Regulations .....	2
Other Fuel Systems Policies .....	2
APPROVALS AND WAIVERS; DESIGNATED CHANNELS.....	2
CONFLICTS OF INTEREST.....	3
Activities Outside the Company .....	3
Community, Political & Governmental Activities.....	3
Service on Outside Boards of Directors.....	3
Competitor Relationships.....	4
Corporate Opportunities & Resources .....	4
Indirect Interests and Relationships .....	4
BUSINESS RELATIONSHIPS .....	4
Customer Relationships .....	5
Suppliers and Distributors.....	5
Contracts and Commitments.....	5
FAIR COMPETITION .....	6
PROVIDE A HEALTHY AND SAFE ENVIRONMENT.....	6
GIFTS, GRATUITIES, ENTERTAINMENT AND OTHER CONSIDERATIONS .....	7
Gifts .....	7
Meals, Entertainment, and Travel.....	8
Investment Activities .....	8
Bribes and Kickbacks .....	8
DOING BUSINESS INTERNATIONALLY .....	9
Anti-Corruption Laws.....	9
International Trade Controls.....	10
Anti-boycott Compliance.....	11
GOVERNMENT CONTRACTING.....	11
POLITICAL CONTRIBUTIONS AND LOBBYING .....	12
ACCURACY OF REPORTS, RECORDS AND ACCOUNTS.....	13
GOVERNMENT INVESTIGATIONS .....	13

INSIDER TRADING; COMMUNICATIONS WITH THIRD PARTIES.....	14
Insider Trading.....	14
Full and Fair Disclosure; Communications with the Media and the Financial Community .....	15
Confidential Information .....	15
TECHNOLOGY USE AND PRIVACY .....	15
Authorization .....	15
Prohibition Against Violating Copyright Laws .....	15
Other Prohibited Uses .....	16
OUR WORK ENVIRONMENT.....	16
COMPLIANCE AND REPORTING .....	16
Compliance .....	16
Reporting Procedures and Other Inquiries.....	16
Policy Prohibiting Retaliation or Discrimination .....	17
SUMMARY .....	18

## FUEL SYSTEMS SOLUTIONS, INC.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### POLICY STATEMENT

This Code of Business Conduct and Ethics (“Code”) establishes requirements for Board members, officers and employees of Fuel Systems Solutions, Inc., and its subsidiaries (“Fuel Systems” or the “Company”). This Code applies to the Company’s board members, officers and employees, including the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions (“Fuel Systems Personnel”)<sup>1</sup>. .

It is the policy of Fuel Systems to conduct its affairs in accordance with all applicable laws, rules and regulations of the jurisdictions in which it does business and to adhere at all times to the ethical standards defined herein. This Code is designed to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting to the appropriate person of violations of this Code; and
- accountability for adherence to this Code.

Fuel Systems has established standards for behavior that affect the Company, and expects Fuel Systems Personnel to comply with those standards. The Company promotes ethical behavior and encourages employees to talk to supervisors, managers, the Human Resources Manager, or other appropriate personnel when in doubt about the best course of action in a particular situation. Non-employee board members are encouraged to talk to outside counsel in such situations. Anyone aware of a situation that he or she believes may violate or lead to a violation of this Code should follow the guidelines under “**COMPLIANCE AND REPORTING**” below.

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<sup>1</sup> This Code constitutes the Company’s “code of ethics” as defined in Item 406 of Regulation S-K and its “code of conduct” in accordance with NASDAQ Rule 5610. This Code also applies to any third parties that work with or on behalf of or are associated with Fuel Systems. You must also consider this Code when dealing with other third parties with whom you come into contact. These include actual and potential customers, clients and distributors of Fuel Systems.

In addition, the Company has established an ETHICS/WHISTLEBLOWER HOTLINE to enable confidential reporting of unethical, illegal activities or to report actions in conflict with this Code. **Employees can find information about the ETHICS/WHISTLEBLOWER HOTLINE in the Employee Handbook. In addition, the Ethics/Whistleblower policy should be posted in certain facilities for each subsidiary company.** This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide you. Although there can be no better course of action than to apply common sense and sound judgment, do not hesitate to use the resources available whenever it is necessary to seek clarification.

### **Foreign Laws, Rules and Regulations**

Fuel Systems employs people and conducts business around the world. Many of our employees are citizens of different countries, and, as a result, our operations are subject to many different laws, customs, and cultures. We recognize that legal requirements imposed by authorities outside of the United States impact our operations and are increasingly complex. Although our values will not change, application of this Code may vary from one country to another to ensure compliance with applicable law. No Fuel Systems policy in this Code or elsewhere has any force to the extent that it would conflict with an applicable legal requirement. For example, reporting responsibilities included in this Code and in other Fuel Systems policies shall not be administered in a manner which conflicts with applicable legal requirements. Among other things, in all EU countries (i) anonymous or other “hotline” reporting is intended to be only one method of reporting (and, therefore, is non-compulsory) and is to be limited to issues or concerns relating to auditing, accounting, fraud, internal controls or financial irregularities; (ii) all reporting (whether anonymous or non-anonymous) is to be done on a local level in accordance with local country law and policies; (iii) reporting concerning non-financial matters is to be dealt with on the local company level in accordance with normal reporting procedures; and (iv) personal data will be obtained, processed and handled in accordance with applicable local laws of the country of operation.

### **Other Fuel Systems Policies**

In some areas, the Company has prescribed rules for behavior of Fuel Systems Personnel that are more detailed than the general requirements of this Code. Compliance with those other Company policies is mandatory.

### **APPROVALS AND WAIVERS; DESIGNATED CHANNELS**

Certain provisions of this Code require you to act, or refrain from acting, unless prior approval is received from the Designated Channel. Such approvals or waivers of provisions of this Code may only be granted through the following “Designated Channels”:

- Approvals or waivers of the provisions of this Code for any of the Company’s employees may only be granted by the Human Resources Manager.
- Approvals or waivers of the provisions of this Code for any of the Company’s executive officers or board members may only be granted by the Company’s Board of Directors.

Any waiver relating to executive officers and board members is required to be promptly disclosed pursuant to the rules and regulations of the SEC and NASDAQ. Changes in this Code may only be made by the Board of Directors and will be disclosed as required by the rules and regulations of the SEC and NASDAQ.

## **CONFLICTS OF INTEREST**

A conflict of interest arises when your personal interests interfere with your ability to act in the best interests of the Company. Fuel Systems Personnel must perform their responsibilities on the basis of what is in the best interest of the Company independent of personal consideration or relationships. Non-employee board members must perform their fiduciary duties as directors of the Company. Any conflicts of interest, both real and perceived, must be approved in advance. Contact the Ethics/Whistleblower Hotline for further guidance.

You should disclose any potential conflicts of interest relating to the Company through the Designated Channels, who can advise as to whether or not the Company believes a conflict of interest exists. You should also disclose potential conflicts of interest relating to the Company involving your spouse, siblings, parents, in-laws, children and anyone residing in your home.

### **Activities Outside the Company**

Although Fuel Systems has no interest in preventing employees from engaging in lawful activities during nonworking hours, Fuel Systems Personnel must make sure that their outside activities do not conflict or interfere with their responsibilities to the Company. For example, without approval by the Company, Fuel Systems Personnel generally may not:

- engage in self-employment or perform paid or unpaid work for others in a field of interest similar to those of Fuel Systems;
- use proprietary or confidential Company or customer information for personal gain or to the Company's detriment; or
- appear to represent Fuel Systems as the participant in an outside activity unless Fuel Systems has authorized the employee to represent Fuel Systems.

### **Community, Political & Governmental Activities**

Fuel Systems encourages you to be actively involved in your community through volunteer service to charitable, civic and public service organizations, and through participation in the political process and trade associations.

You must make sure, however, that your service is consistent with your responsibilities with Fuel Systems and does not pose a conflict of interest. This is particularly important before accepting any leadership position (such as membership on the board of a charitable or civic organization), before seeking or accepting political office and before soliciting a charitable contribution.

## **Service on Outside Boards of Directors**

Serving as a director of another corporation or entity may create a conflict of interest. You must disclose such service through the Designated Channels and obtain prior approval before serving on the board of another company whether or not such company is a competitor of Fuel Systems, whether or not such company's interests may be adverse to those of Fuel Systems, or whether or not the service may require a significant amount of time.

## **Competitor Relationships**

You should avoid even the appearance of a conflict of interest in your relationships with competitors. You may not:

- provide compensated or uncompensated services to a competitor, except for services rendered under a valid Fuel Systems contract with the competitor;
- disclose any Company proprietary information to a competitor, unless a nondisclosure agreement executed by Fuel Systems and the competitor is in place; or
- utilize for any unauthorized purposes or disclose to a competitor or other third-party any proprietary data that has been entrusted to the Company by a customer or supplier.

## **Corporate Opportunities & Resources**

You are prohibited from taking for yourself personal opportunities that are discovered through the use of the Company's property, information or position. You may not use Company property, information or position for personal gain. Company resources may be used for minor personal uses, so long as such use is reasonable, does not interfere with your duties, does not conflict with the Company's business and does not violate any Company policy.

You may not compete with the Company, directly or indirectly, except as permitted by Company policies.

You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

## **Indirect Interests and Relationships**

A conflict of interest can also arise because of the business activities of your close relations. For example, you may have a potential conflict of interest whenever a close relative has a significant relationship with, or has a significant financial interest in, any supplier, customer or competitor of the Company.

You may not make or attempt to influence any decision of the Company that could directly or indirectly benefit any of your close relatives. To protect you and the Company from

the appearance of a conflict of interest, you should make appropriate disclosure of the interest through the Designated Channels.

## **BUSINESS RELATIONSHIPS**

Fuel Systems seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. When acting on behalf of the Company, you must endeavor to deal fairly with the Company's customers, suppliers, competitors and employees and must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

### **Customer Relationships**

Our customers are of the utmost importance to Fuel Systems. When acting on behalf of the Company, you must always treat customers and potential customers according to the highest standards of business conduct.

It is Fuel Systems' policy to sell our products and services on their merits and to avoid making disparaging comments about the products and services of competitors unless they can be substantiated. When acting on behalf of the Company, you should be careful in this regard in commenting upon the character, financial condition, or potential legal or regulatory problems of competitors.

### **Suppliers and Distributors**

Fuel Systems' suppliers and distributors, (including agents brokers, partners or representatives) -- companies and individuals that sell products and services to Fuel Systems, or distribute our products on to customers -- are important to our business. When acting on behalf of the Company, you should always treat current and potential suppliers, and distributors in accordance with the highest standards of business conduct.

Suppliers and distributors must be selected on the basis of objective criteria, such as quality, price, technical excellence, service reputation and production/service capacity. The Company must understand the qualifications and associations of its suppliers and distributors, including the entity's business reputation, and relationship, if any, with foreign officials. The degree of scrutiny should increase as red flags surface.

If you are working with current suppliers on behalf of the Company, you must never intentionally interfere with a supplier's contracts or business relations with a competitor of Fuel Systems. Likewise, those working with the Company's distributors must be alert to any deviation from the rules regarding the activity of those responsible for selling our products.

Individuals with procurement responsibility should review the sections of this Code concerning fair competition and should be familiar with applicable laws and Company policies, and those with responsibility for sales should review the sections regarding vetting of distributors and monitoring of their conduct.

## **Contracts and Commitments**

You may not enter into any agreement binding Fuel Systems without authorization. The Company has instituted contract and signature approval policies that identify those individuals who have the authority to approve and sign certain contracts binding Fuel Systems. If there are any questions about signature authority for a given contract, contact the Chief Financial Officer or such officer's designee.

Employees involved in proposals, bid preparations or contract negotiations should strive to ensure that all statements, communications, and representations to prospective customers are truthful and accurate.

The contracts should also include clear and complete outline of the services to be performed, in which countries and the compensation to be paid. This is an important element of transparency in our relationship with the third party. Fuel Systems should seek to include the following in these contracts:

- Certification as to compliance with applicable anti-bribery and corruption regulations;
- Audit provisions;
- Termination clause if the third party breaches this Code or anti-bribery and anti-corruption contract terms; and/or
- Approval by authorized management of both Fuel Systems and the third party.

## **FAIR COMPETITION**

Fair competition laws, including the U.S. antitrust rules, limit what Fuel Systems can do with another company and what Fuel Systems can do on its own. Generally, the laws are designed to prohibit agreements or actions that reduce competition and harm consumers. You may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers. U.S. and foreign antitrust laws also apply to imports and exports.

## **PROVIDE A HEALTHY AND SAFE ENVIRONMENT**

The Company is committed to sustainable development, which requires balancing the need for economic operations and growth with good stewardship in the protection of human health and the natural environment. The Company will strive to eliminate any potentially adverse impacts of its operations and products on its employees, to not only meet but, if possible, surpass the standards set by relevant legislation and regulation by diligent application of technically proven and economically feasible environmental protection measures throughout all phases of operations.

Substance abuse can pose serious health and safety hazards in the workplace. At Fuel Systems, we are dedicated to achieving an environment free of substance abuse for the health and well-being of our colleagues and for the benefit of the Company.

Fuel Systems' formal policy and guidelines are compassionate but firm. The use of illegal drugs and the misuse of alcohol and over-the-counter or prescription drugs is prohibited in the workplace. The workplace includes anywhere that a colleague is conducting the Company's business, regardless of time or location.

## **GIFTS, GRATUITIES, ENTERTAINMENT AND OTHER CONSIDERATIONS**

Use of Company funds or other Company property for illegal, unethical or otherwise improper purposes is prohibited. The purpose of business entertainment and gifts in a commercial setting must be to create goodwill and a sound working relationship, not to gain personal advantage with customers or suppliers. Beyond the general requirements of this Code, other Company policies prescribe more detailed rules regarding gifts, gratuities, entertainment and related matters.

### **Gifts**

Promotional expenses are seen by the Company as essential to showcase and advertise our services. Travel expenses are incurred in enabling visits to offices and to assess the quality of the Company's facilities and personnel. However, certain such expenditures may be deemed offenses under the Foreign Corruption Practices Act (FCPA), UK Bribery Act and local regulations.

It is also understood that it is often hard for our colleagues and agents to know where to draw the line between what is a reasonable, bone fide expenditure and what is an unreasonable or inappropriate expenditure which may be construed to extend undue influence. These activities can also draw a Company representative unwittingly into a situation where improper behavior subsequently results and higher risks exist when the parties involved can be considered a "public official". Therefore, when acting on behalf of the Company, giving or accepting modest, appropriate gifts is generally permissible where the gift-giving is consistent with normal commercial custom and the gift-giving does not influence, or appear to influence, and is not intended to influence, selection and purchasing decisions. For example, a small gift or token of esteem or gratitude is often an appropriate way for business people to display respect for each other. Some hallmarks of appropriate gift-giving are when the gift is given openly and transparently, properly recorded in the Company's books and records, provided only to reflect esteem or gratitude, and permitted under local law. Items of nominal value, such as cab fare, reasonable meals and entertainment expenses, or Company promotional items, are unlikely to improperly influence an official, and, as a result, are not, without more, items that have resulted in enforcement action by the US Department of Justice (DOJ) or Securities and Exchange Commission (SEC). The larger or more extravagant the gift, however, the more likely it was given with an improper purpose. DOJ and SEC enforcement cases thus have involved single instances of large, extravagant gift-giving as well as widespread gifts of smaller items as part of a pattern of bribes so a high degree of caution is prescribed especially when it involves a "public official".

You should exercise care to ensure that the value and frequency of such gifts are not excessive under the applicable circumstances. When acting on behalf of the Company, you may

not accept a customer, vendor or supplier discount for yourself unless it is generally available to all Company employees or to the public.

It is never appropriate or permissible in connection with the business of the Company to accept or give cash or a cash equivalent from or to a vendor, supplier or customer outside the Company's normal business. Cash equivalents include, among other things, checks, money orders and vouchers.

Rules relating to U.S. and foreign government personnel are more stringent. See **“DOING BUSINESS INTERNATIONALLY”** and **“GOVERNMENT CONTRACTING”** below.

### **Meals, Entertainment, and Travel**

In connection with Company business, you may provide or accept meals and entertainment, including attendance at sporting or cultural events, as long as it is associated with an occasion at which business is discussed and is consistent with normal commercial custom and the gift-giving does not influence, or appear to influence, and is not intended to influence, selection and purchasing decisions. The value of the activity must be reasonable and permissible under Fuel Systems' expense account procedures. You should express care to ensure that such activities are necessary and that their value and frequency are not excessive under the applicable circumstances. Rules relating to U.S. and foreign government personnel are more stringent. See **“DOING BUSINESS INTERNATIONALLY”** and **“GOVERNMENT CONTRACTING”** below.

You may entertain socially friends or relatives doing business with the Company, so long as there is a legitimate business purpose.

### **Investment Activities**

Unless you have sought and received pre-approval, you may not:

- participate in so-called “directed shares,” “friends and family,” and similar stock purchase programs of customers, vendors or suppliers of Fuel Systems;
- invest in non-public companies that are, or are likely to be, customers, vendors or suppliers of Fuel Systems; or
- invest in non-public companies in which Fuel Systems has made or is expected to make an investment.

### **Bribes and Kickbacks**

The use of Company funds, facilities or property for any illegal or unethical purpose is strictly prohibited. Any illegal or unethical activity within the scope of your relationship with the Company is strictly prohibited.

- You are not permitted to offer, give, promise, authorize or cause others to give any payment or anything of value for the purpose of influencing the recipient's business judgment or conduct in dealing with the Company.
- You may not solicit or accept a kickback or bribe, in any form, for any reason.

## **DOING BUSINESS INTERNATIONALLY**

Fuel Systems is committed to the highest business conduct standards wherever it operates. Fuel Systems observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to you while doing business on behalf of the Company in the worldwide marketplace, the following rules always apply:

- Observe all legal requirements, both U.S. and non-U.S., that apply to business abroad.
- Do not pay bribes, even if those bribes are common practice. You may not, directly or indirectly, give, offer or promise, or authorize the giving, of money or anything of value to improperly influence any act or decision of the recipient. And you may not give, offer or promise money or anything of value to a person if there is any indication that the thing of value will be used for an improper payment or transfer.
- Do not cooperate with unauthorized boycotts, such as the Arab League boycott of Israel.
- Observe all import and export licensing requirements and the requirements of applicable import and export control laws.
- Do not enter into an agreement with an agent or consultant that relates to Fuel Systems' business outside the United States unless it has been approved by the Company and do not enter into an agreement with an agent or consultant if you have reason to believe the agent or consultant will pay a bribe in connection with such agreement.

### **Anti-Corruption Laws**

Fuel Systems is committed to complying with the anti-corruption laws of the countries where it operates, including, for example, the FCPA, the UK Bribery Act and Italy's Law 231. While these laws vary in some respects, they all provide for far-reaching penalties against companies and individuals who are involved in bribery, including imprisonment of individuals. These laws also commonly require accurate accounting and recordkeeping for transactions. Fuel Systems takes compliance with these laws very seriously.

Fuel Systems Personnel should use special care to avoid improper payments and supply of other items (gift-giving, meals, etc.) to government officials and employees of government owned or controlled companies. But bribery of any person is forbidden.

Some anti-corruption laws permit “facilitation payments” or “grease payments” in some circumstances. Fuel Systems does not permit these types of payments.

Fuel Systems Personnel should insist that Fuel Systems business partners, such as distributors, comply with the same anti-corruption policies and requirements with which Fuel Systems complies.

Be watchful for bribe solicitations and any other indications that there is a risk of corrupt activity, such as a business partner’s or proposed business partner’s reputation for unethical business practices. Report such circumstances to the Chief Financial Officer or through the ETHICS/WHISTLEBLOWER HOTLINE.

### **International Trade Controls**

Embargoes, trade sanctions and import and export requirements – “International Trade Controls” -- apply to Fuel Systems’ transmission of goods, services and technology across national borders. These requirements apply not just to shipping products but also to other international transfers, such as transmission of technology by e-mail. The United States also controls the release of certain technical information to non-U.S. nationals outside and *inside* the United States.

The United States and the EU treat certain countries as being embargoed, which means that most business with or involving the country is forbidden. United States-embargoed countries presently include Cuba, Iran, North Korea, Sudan and Syria.<sup>2</sup>

You should:

- Learn about and follow International Trade Controls that apply where you work. United States controls apply to all U.S.-origin items and items that contain U.S.-origin content.
- Report all relevant information to Company officials who are handling import or export transactions to ensure accurate and complete declarations to government authorities.
- If you are responsible for a Fuel Systems export, check the export classification of the product, software or technology prior to export to determine whether special authorization is required.
- Screen your transactions against all applicable rules that restrict transactions with certain sanctioned countries, persons and prohibited end uses and following any Fuel Systems procedures for such screening.
- Screen business partners, suppliers and parties involved in your international transactions against government provided watch-lists and following any Fuel Systems procedures for such screening.

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<sup>2</sup> Under the EU regimen of trade control, Cuba is not a prohibited country.

- Report to the Chief Financial Officer or through the ETHICS/WHISTLEBLOWER HOTLINE indications of possible inconsistency with international trade controls, such as:
  - Any facts, sometimes known as “Red Flags,” that suggests that a business partner may be attempting to evade International Trade Controls.
  - Evasive, reluctant or otherwise unsatisfactory answers by distributors to questions about end use, end user, delivery dates or delivery locations.
  - Use of Fuel Systems products for military applications.
  - Involvement of parties or activities suspected of any connection with the development of biological, chemical or nuclear weapons, or ballistic missiles.
  - Transactions involving an embargoed country, a citizen or representative of an embargoed country or an individual or entity subject to government sanction.
  - Invoices on imported goods where the price shown does not reflect the full value, the description of the goods is not complete, or the country of origin is not correctly identified.

### **Anti-boycott Compliance**

The United States has enacted anti-boycott regulations which make it unlawful for U.S. persons to participate in any activity that could have the effect of promoting or supporting a boycott or restrictive trade practice of another country against customers or suppliers located in a country friendly to the United States or against a U.S. person, firm or corporation. Boycott issues arise most frequently in connection with the Arab boycott of Israel. Prohibited actions include, but are not limited to, furnishing information about business relationships with boycotted countries, or information about race, religion, sex or national origin. Any request to participate in such activity relating to Fuel Systems should be immediately reported to the Chief Financial Officer or through the ETHICS/WHISTLEBLOWER HOTLINE.

### **GOVERNMENT CONTRACTING**

Detailed laws and regulations govern virtually every aspect of doing business with the U.S. and foreign government and its agencies, as well as doing business with state and local governments and their agencies. Activities that might be permitted when working with the private sector may be improper or even illegal when a national, state or local government is the customer.

You should seek to adhere to the highest standards of honesty and integrity in your relations with government officials and employees when acting on the Company’s behalf. For

example, you should observe the following principles when bidding or performing government contracts:

- Do not offer or provide meals, transportation, gifts or other consideration to government employees except as permitted under applicable law and Company policy.
- Obey the regulations governing current and post-government employee conflicts of interests. Obtain all appropriate government approvals prior to recruiting or hiring current or former government employees.
- Obtain appropriate licenses prior to exporting or even discussing certain technologies with citizens of other countries.
- Obey any requirements that may restrict access to source selection or competitive information.

Businesses owned by foreign governments are subject to the same set of rules under the U.S. Foreign Corrupt Practices Act and may be subject to similar rules under the laws of that country (see “**DOING BUSINESS INTERNATIONALLY**”).

If you deal with government representatives on behalf of the Company or with government owned enterprises, you are responsible for knowing and obeying the laws and regulations applicable to doing business with federal, state and local government entities.

## **POLITICAL CONTRIBUTIONS AND LOBBYING**

No political contributions are to be made using Fuel Systems funds or assets, or the funds or assets of any Fuel Systems subsidiary, to any political party, political campaign, political candidate or public official in the United States or any foreign country, unless the contribution is lawful and expressly authorized in writing. In addition, you may not make a political contribution on behalf of Fuel Systems, or with the appearance that such contribution is being made on behalf of Fuel Systems, unless expressly authorized in writing. A “contribution” is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.

Nothing in this Code is intended to discourage you from making contributions of your own time or funds to political parties or candidates of your choice. However, you will not be compensated or reimbursed by Fuel Systems for any personal contributions. Also, participation in such activities should be done in a way that does not interfere with your responsibilities as an employee of Fuel Systems.

You must obtain prior approval from the Chief Executive Officer to hire outside counsel or a public affairs firm to contact government officials regarding legislation, regulatory policy, or rule making on behalf of the Company. This includes grassroots lobbying contacts.

## **ACCURACY OF REPORTS, RECORDS AND ACCOUNTS**

You are responsible for the accuracy of your records, time sheets and reports. Accurate information is essential to Fuel Systems' ability to meet legal and regulatory obligations and to compete effectively. The records and books of account of Fuel Systems must meet the highest standards and accurately reflect the true nature of the transactions they record. Destruction of any records, books of account or other documents except in accordance with Fuel Systems' document retention policy is strictly prohibited.

You must not create false or misleading documents or accounting, financial or electronic records for any purpose relating to Fuel Systems, and no one may direct an employee to do so. For example, expense reports must accurately document expenses actually incurred in accordance with Fuel Systems policies. You must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose relating to Fuel Systems. Employees are also responsible for accurately reporting time worked.

No undisclosed or unrecorded account or fund may be established for any purpose. No false or misleading entries may be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property may be made without adequate supporting documentation or for any purpose other than as described in the documents. You must comply with generally accepted accounting principles and the Company's internal controls at all times when acting on behalf of the Company. These internal accounting controls are to be sufficient to provide reasonable assurances that transactions are properly authorized and recorded, access to assets is permitted only as authorized and recorded assets are compared with existing assets at reasonable intervals.

## **GOVERNMENT INVESTIGATIONS**

It is the policy of the Company to cooperate with all government investigations. You must promptly notify the Human Resources Manager of any government investigation or inquiries from government agencies concerning Fuel Systems. You may not destroy any record, books of account, or other documents relating to Fuel Systems except in accordance with the Company's document retention policy. If you are aware of a government investigation or inquiry you may not destroy any record, books of account, or other documents relating to Fuel Systems unless advised by the Human Resources Manager or such individual's designee that you may continue to follow the Company's normal document retention policy.

You must not obstruct the collection of information, data or records relating to Fuel Systems. The Company provides information to the government that the government is entitled to during an inspection, investigation, or request for information. You must not lie to government investigators or make misleading statements in any investigation relating to Fuel Systems. You must not attempt to cause any employee to fail to provide accurate information to government investigators.

You have the right to consult your own legal counsel at your own expense.

## **INSIDER TRADING; COMMUNICATIONS WITH THIRD PARTIES**

You are not permitted to use or share the Company's confidential information for stock trading purposes or for any other purpose except the conduct of our business.

### **Insider Trading**

The Company has adopted an Insider Trading Policy. You are subject to the Insider Trading Policy that prohibits, among other activities:

1. buying or selling the Company's securities while in possession of material non-public information ("inside information");
2. communicating such inside information to third parties other than those who need to know such information in connection with doing business with or for the Company;
3. recommending the purchase or sale of the Company's securities while in the possession of inside information; and
4. assisting anyone engaged in any of the above activities.

Inside information is material information about a publicly-traded company that is not known by the public. Information is deemed "material" if it could affect the market price of a security or if a reasonable investor would attach importance to the information in deciding whether to buy, sell or hold a security. Inside information typically relates to financial conditions, such as progress toward achieving revenue and earnings targets or projections of future earnings or losses of the Company. Inside information also includes changes in strategy regarding a proposed merger, acquisition or tender offer, new products or services, contract awards and other similar information. Inside information is not limited to information about Fuel Systems. It also includes material non-public information about others, including the Company's customers, suppliers, and competitors.

Insider trading is prohibited by law. It occurs when an individual with material, non-public information trades securities or communicates such information to others who trade. The person who trades or "tips" information violates the law, if he or she has a duty or relationship of trust and confidence not to use the information. Such violations may present civil and criminal liability for the individuals involved. This potential liability also extends to an individual's immediate family members, including their spouse, children or others living in their home and any entities under their control.

Trading or helping others trade while aware of inside information has serious legal consequences, even if the insider does not receive any personal financial benefit. Insiders may also have an obligation to take appropriate steps to prevent insider trading by others.

## **Full and Fair Disclosure; Communications with the Media and the Financial Community**

Fuel Systems communicates with the press and with the financial community through official channels only. The Company's policy is to provide accurate and timely information about its business, to investors, the media, and the general public. All inquiries received from financial analysts or the media concerning Fuel Systems should be directed to the Chief Executive Officer, President or Chief Financial Officer or to any other person each of the foregoing may designate. All legal inquiries concerning Fuel Systems should be referred to the Chief Executive Officer, President or Chief Financial Officer or to any other person each of the foregoing may designate. All inquiries regarding current or former employees of Fuel Systems should be referred to the Human Resources Department.

### **Confidential Information**

You must maintain the confidentiality of information such as patents, trade secrets and know-how entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated. Such confidential information includes all non-public information, including information that might be of use to competitors or harmful to the Company or its customers if disclosed. You may not use such confidential information for your personal or private benefit, or for the benefit of anyone else, during or after your tenure with the Company.

## **TECHNOLOGY USE AND PRIVACY**

Fuel Systems provides various technology resources (including computers, telephones, software, copying machines, Internet access, and voice mail) to you to assist in performing your duties on behalf of the Company. You have the responsibility to use the Company's technology resources in a manner that complies with applicable laws and Company policies.

Fuel Systems allows the incidental personal use of Fuel Systems information systems, subject to certain restrictions. Except where mandated by law, you are not guaranteed personal privacy for information sent to, sent from or stored in Company systems. All documents, including electronic communications, are subject to review at any time.

### **Authorization**

Access to the Company's technology resources is within the sole discretion of the Company and subject to Company policies. Generally, you are given access to the Company's various technologies consistent with your job functions. The Company reserves the right to limit such access by any means available to it, including revoking access altogether.

### **Prohibition Against Violating Copyright Laws**

You may not use the Company's technology resources to copy, retrieve, forward or send copyrighted materials unless you have the author's permission or are accessing a single copy only for your own reference.

## **Other Prohibited Uses**

You may not use any of the Company's technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties on an unauthorized basis, or for personal gain.

## **OUR WORK ENVIRONMENT**

The diversity of the Company's employees is a tremendous asset. Fuel Systems is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment. In addition, the Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

## **COMPLIANCE AND REPORTING**

### **Compliance**

Any violation of this Code committed by an employee of the Company is considered a material breach of the employee's labor contract, if any, and of the terms of the employee's employment with the Company. In such instance, the Company will be entitled to pursue all remedies allowed by applicable law, including any disciplinary action and termination. Disregard of any criminal statute underlying this Code may require the Company to refer such violation to the appropriate authorities.

Any board member who violates the provisions of this Code will be subject to disciplinary action up to and including dismissal, as deemed by the Board of Directors with proper approvals from the stockholders when necessary. Disregard of any criminal statute underlying this Code may require the Company to refer such violation to the appropriate authorities.

### **Reporting Procedures and Other Inquiries**

Questions regarding the policies in this Code may be directed to the Chief Financial Officer. Managers and supervisors are also resources who can provide advice and guidance to employees on ethics and compliance concerns. If you have knowledge of, or questions or concerns about, an actual or possible violation of the provisions of this Code, you are encouraged to promptly report the matter to your immediate supervisor or to the Human Resources Manager. Members of the Board of Directors are encouraged to discuss any issues or concerns with outside counsel. Possible violations may also be reported to the confidential ETHICS/WHISTLEBLOWER HOTLINE. Accounting or SEC complaints may be submitted directly to the ETHICS/WHISTLEBLOWER HOTLINE using the procedures outlined in the Company's Employee Handbook entitled, "No Harassment/ Discrimination." **Employees can find further information about the ETHICS/WHISTLEBLOWER HOTLINE in the Employee Handbook or as posted in certain facilities at each subsidiary company.**

When submitting concerns, you are asked to provide as much detailed information as possible. Providing detailed, rather than general, information will assist us in effectively investigating complaints. This is particularly important when you submit a complaint on an anonymous basis, since we will be unable to contact you with requests for additional information or clarification.

We are providing these anonymous reporting procedures so that you may disclose genuine concerns without feeling threatened. Anyone who chooses to identify himself or herself when submitting a report may be contacted in order to gain additional information.

All conversations, calls and reports made under this policy in good faith will be taken seriously. Any allegations that are knowingly false or without a reasonable belief in the truth and accuracy of the information provided will be viewed as a serious disciplinary offense.

### **Policy Prohibiting Retaliation or Discrimination**

Neither the Company nor any of its employees may discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee who in good faith:

- provides information or assists in an investigation relating to or regarding any conduct that the employee reasonably believes constitutes a violation of Fraud Laws (as defined below); or
- files, testifies, participates or otherwise assists in a proceeding that is filed or about to be filed (with any knowledge of the Company) relating to an alleged violation of a Fraud Law.

This policy applies in any instance where such information or assistance is provided to, or the investigation is conducted by, a federal regulatory or law enforcement agency, any member or committee of Congress, or any person with supervisory authority over the employee in the authority to investigate misconduct relating to potential securities violations by the Company with employees. For purposes of this policy, a “Fraud Law” is a violation of federal criminal law involving:

- securities fraud, mail fraud, bank fraud or wire, radio or television fraud;
- violation of SEC rules and regulations; or
- violations of any federal law relating to fraud against stockholders.

No retaliation means that if you report in good faith what you believe is, or suspect to be, a possible violation of the law, this Code, or another Company policy, you will not be reprimanded or subject to any discipline, even if your suspicion turns out to be wrong. Further any employee who harasses or discriminates against you because you reported a concern in good faith shall be subject to discipline, up to and including termination of employment.

## **SUMMARY**

This Code represents only a starting point in assuring that you do your part in fulfilling the Fuel Systems' commitment to the law and to the highest standards of integrity. It is your responsibility to adhere not only to the specific directives of these guidelines, but also to their spirit. The Human Resources Manager is always available to answer any specific questions you may have.

This document is not an employment contract between Fuel Systems and Fuel Systems Personnel, nor does it modify your relationship with the Company.

This Code is intended to clarify your existing obligation for proper conduct. The standards may change from time to time in the Company's discretion. Your continued employment acts as your acceptance of any such change and your agreement to comply therewith. The most current version of this document can be found in the Company's intranet.