

Organizational model of crime prevention
according to Italian law D.Lgs. 231/01



CODE OF ETHIC

Approved by the Board of Directors on 23/12/2011

THE PRESENT DOCUMENT IS THE OFFICIAL ENGLISH VERSION

Note: this document belongs to Impresa Pizzarotti & C. S.p.A., that forbidden the reproduction (L. 22.04.41 – 633 e s.m.i.). For its projectual contents, the Model ex D. Lgs 231/2011 is subjected to intellectual property rights of the Future Works S.r.l.

Modifications made during a new revision are printed in green (RGB red=0; green=128; blue=0)

B					
A	06.12.2011	Issue (replaces the document PZ MPR CET 001 C)	F. Capalbo CTE OVI	R. Arduini COO OVI	BoD
rev	Date	Description	Drafted	Checked	Approved



TABLE OF CONTENTS

1	Objectives and scope of application	4
1.1	Objectives of the code of ethics	4
1.2	Addressees and scope of application.....	4
1.3	Structure of the Code of Ethics.....	5
2	Corporate mission and values	5
2.1	Respect for human rights.....	6
2.2	The value of human resources	6
2.3	Workers' integrity.....	6
2.4	The value of reputation	7
2.5	Ethicality and increase in value of equity investments	7
2.6	Financial management.....	7
2.7	Information management	8
2.8	Management of environmental issues and impacts on the environment	8
2.9	Prevention of offences.....	9
3	Ethical principles on an individual scale	9
3.1	Ethics towards the company	9
3.2	Integrity, impartiality and compliance with the rules	9
3.3	Use of corporate assets	10
3.4	Information management	10
3.5	Conflicts of interests.....	10
3.6	Work environment	11
3.7	Obligation to inform	11
4	Ethical principles in relations	12
4.1	Activities of the Corporate Bodies	12
4.1.1	Activities of the Corporate Bodies	12
4.1.2	Supervisory Body pursuant to Legislative Decree No. 231/01	12
4.2	Relations with shareholders	13
4.3	Relations with customers	13
4.4	Relations with third parties and public administrations	13
4.5	Contributions to political parties, trade unions, bodies, associations.....	14
4.6	Relations with employees	14



4.6.1	Selection of staff and formation of work relations	14
4.6.2	Staff management	15
4.7	Relations with suppliers, contractors and subcontractors	15
4.8	Institutional relations and mass media	16
5	Implementation and control procedures	16
5.1	Adoption of the Code of Ethics	16
5.2	Revision	17
5.3	Assignment of powers	17
5.4	Internal control system	17
6	Penalties envisaged for breaches to the Code of Ethics	18
6.1	Detection of breaches to the Code of Ethics	18
6.2	Internal inquiries	18
6.3	Penalties	19



1 Objectives and scope of application

The construction Company Pizzarotti & C. S.p.A. operates in the sector of design and construction of large civil and infrastructural works, in Italy and abroad, in the areas both of real estate and pre-casting.

The Company belongs to a Group whose holding company is MIPIEN S.p.A., and which consists of a number of different companies whose specialist operations supplement the operations of the Parent Company.

The Board of Directors believes that ethics in business management is a condition for success and an instrument for promoting and protecting corporate image, a key element together with reliability, fairness and transparency towards all stakeholders.

To this end, the Board of Directors has adopted this Code of Ethics to regulate, through rules of conduct, its corporate operations, by setting the general standards, which the entire organization shall comply with

1.1 Objectives of the code of ethics

The Company is aware that a good reputation resulting from the systematic application of ethical principles promotes investments in the company, attracts the best human resources, fosters relations with commercial, entrepreneurial and financial stakeholders, improves its creditworthiness and equanimity in its relations with employees and suppliers; conversely, an unethical conduct compromises trusting relations and could cause hostility toward the Company.

The objective of this Code of Ethics is to define the commitments and ethical responsibilities which shall guide the conduct of the Company, of its Directors, Managers, Employees and collaborators in performing operations; therefore, it shapes the corporate ethics profile.

1.2 Addressees and scope of application

The addressees of this Code of Ethics are all employees and collaborators of the Company, with no exception, as well as all those who, directly or indirectly, permanently or temporarily, have relations with the Company and operate to pursue its targets, such as contractors, suppliers of goods and services.

All said addressees, therefore, have the obligation to be acquainted with the rules of the Code of Ethics, as well as to comply with the principles and standards of conduct contained therein, which shall inform their daily conduct, without prejudice to due respect for religious, cultural and social identities.

The rules contained in this Code of Ethics are an addition to the rules of conduct that employees and collaborators are required to follow pursuant to the law and to the contracts that apply to work



relations, as well as to the rules of ordinary diligence required from workers. In no case, pursuing the Company's interests may justify a conduct that breaches the laws in force and the rules of this Code.

In all business relations, all counterparties shall be informed that this Code of Ethics exists and of its contents, and they shall be required to comply with the same.

To this end, in their relations with third parties, all addressees of this Code, according to their tasks, shall:

- suitably inform said third parties of the commitments and obligations provided for by this Code;
- demand fulfilment of the obligations directly concerning their activities;
- adopt all appropriate measures, both internal and external, in case of non-fulfilment.

This Code of Ethics shall apply to all geographical and operating scopes in which the Company operates.

1.3 Structure of the Code of Ethics

The Code of Ethics consists of:

- the general principles setting the Company's mission and the main reference values;
- the conduct standards that shall be adopted by the subjects operating in the name and on behalf of the Company, in their individual conduct;
- other rules to be followed, in compliance with the general principles, to prevent risks of unethical conduct resulting from the management of the relation network;
- the criteria for the implementation and control of this code and the sanctions applicable to non-compliance cases.

2 Corporate mission and values

In its activities, the Company has identified its reference values informing the conduct of all those acting on its behalf, in order to ensure that corporate businesses and operations are performed with fairness, thus protecting the Company's equity and image, as well as the expectations of all reference stakeholders.

Uprightness, fairness, integrity, transparency, impartiality, confidentiality, respect for and protection of the environment, as well as of health and safety on the workplace, are the values that inform the Company's actions and that represent essential values to attain its economic, production and social objectives.

A consistent implementation of the corporate values is based on the firm cultural, technical, operational and ethical contribution from everyone; this is to be done while fulfilling one's responsibilities and exercising one's powers, as conferred by the organization, with regard to both individual and collective conduct.



The former scope includes activities that require almost exclusively a personal commitment for ethical principles to be implemented; the latter scope includes the same conduct in overall relations with stakeholders involving individuals.

2.1 Respect for human rights

In making decisions that impact on its relations with its internal and external stakeholders, the Company holds it essential avoiding any discrimination relating to age, sex, sexual orientation, health conditions, race, nationality, political opinions, religious faith.

The Company supports and respects human rights, in compliance with UN Universal Declaration of Human Rights and with the EU Charter of Fundamental Rights.

2.2 The value of human resources

The Company acknowledges the central role of human resources as a main factor of success of any business activity, based on mutual loyalty and trust between employers and employees.

This is the reason why the Company protects and promotes the value of human resources, aiming at improving and enhancing the professional skills, expertise and knowledge wealth of each employee and collaborator, also by implementing training initiatives.

All work relations shall comply with the applicable national collective bargaining agreement and with social security, tax and insurance legislation; for a work relation to be established, the worker shall sign, together with the relevant contract, also a commitment to comply with the principles set forth in the Code of Ethics.

In staff management processes, decisions are based on the measurement of value, using a meritocratic logic; the same criteria apply to the access to positions or tasks.

In the event of corporate reorganization, the Company shall protect the value of human resources implementing, where necessary, professional training and/or retraining.

The Company implements measures so that, in its hierarchical relations with employees, the exercise of authority does not become detrimental to the employee's dignity, professionalism and independence.

2.3 Workers' integrity

The respect for personal cultural and physical integrity is a reference ethical value for the Company, which guarantees it by ensuring work conditions respecting individual dignity and a suitable work environment; to these ends, the Company operates in technical, organizational and economic conditions such as to ensure appropriate accident prevention and a healthy and safe work environment, in full compliance with the regulations currently in force, adopting all necessary defining, preventive and precautionary rules.



The Company commits to circulate and enhance safety culture, promoting risk awareness and responsible conduct by all collaborators.

2.4 The value of reputation

The Company, being aware of the importance of its operations and of the impacts that these have on the economic and social development, is focussed on combining its own targets with the country's general interests. This is the reason why the Company performs its operations fully respecting communities, associations, institutions, both local and national, to acquire a high-level reputation, which can contribute to legitimizing its activities in the community.

The Company's good reputation and image, therefore, represent an essential intangible asset.

Its good reputation is an attracting factor for potential investors and for the best human resources, which have an interest in working with the Company. It facilitates relations with commercial, entrepreneurial and financial stakeholders, as well as with public and private customers. Pursuing a good reputation allows decisions to be made and implemented mitigating possible conflicts, as well as the work to be organized in an atmosphere of mutual respect, without having to necessarily recur to authority.

2.5 Ethicality and increase in value of equity investments

The Company operates with the objective of maintaining and increasing its value, thus increasing the value of the equity investment made by its shareholders, always complying with the principle of free and fair competition; to this end, the Company aims its operations at achieving competitive results, which reward abilities, experience and efficiency.

The Company and its collaborators shall adopt a fair conduct in managing businesses and in their relation with the Public Administration and with private customers; any action aiming at altering fair competition conditions contrasts with the Company's policy and is prohibited to all subjects acting on behalf of the same.

2.6 Financial management

In preparing the Financial Report and any other form of corporate information and accounting document, the Company complies with the laws and regulations in force and has adopted the most advanced accounting standards and practices.

The financial reports and the financial statements give a true representation of the company performance (through the income statement, balance sheet and statement of cash flows) based on transparency, accuracy and completeness principles; to this end, appropriate and complete documentation is kept on file substantiating the activities carried out, so as to allow:

- accurate recognition of each transaction;
- immediate overview of the characteristics and reasons of the same;
- easy chronological form reconstruction of transactions;



- audit of the decision-making, authorizing and implementation processes, as well as the identification of the various levels of responsibility and control.

Each item recognized in the accounts reflects exactly the substantiating documents. Therefore, each employee or collaborator engaged in this activity is tasked with ensuring that the substantiating documentation can be found easily and is ordered based on logical criteria and in accordance with the internal provisions and procedures.

No payment may be made on behalf of the Company without appropriate supporting documents.

The financial/accounting systems shall allow effective reconstruction of all management events and true representation of all corporate transactions, also to identify the reasons for the transactions and the various level of responsibility, according to constraints of financial traceability imposed by the legislature.

2.7 Information management

The Company undertakes to manage the information flow to stakeholders, so as said information is always complete, clear and transparent and so that, with regard to technical, financial, accounting or management data, said information complies with veracity, completeness and accuracy standards.

The Company organizes the information flow so as to observe the specific route established to prevent offences, pursuant to Legislative Decree No. 231/01.

The Company also ensure confidentiality of the information it holds, defining and revising the procedures for personal data processing, in accordance with the regulations in force.

2.8 Management of environmental issues and impacts on the environment

In performing its activities, the Company commits to contribute to the protection of the environment, pursuing a balance between its economic targets and essential protection requirements; therefore, the Company adopts a responsible conduct with regard to protection of the environment, setting a continuous improvement of its environmental performances as a target. This commitment extends also to the Company's subcontractors and contractors working in its sites.

In compliance with the national and international regulations on the environment, as well as with contractual requirements, this commitment takes the shape of processes, methodologies and materials based on the progress in scientific research and on the best experience on environmental issues, which may contribute to territorial balance, pollution prevention, reclamation of polluted area and landscape protection.

When it promotes, designs or contracts-out the design of construction or infrastructural projects, the Company makes sure that all necessary surveys are performed to assess possible risks for the environment resulting from the project and to prevent possible damage. The Company commits to



involve and motivate all its staff on environmental issues, through information and training actions.

2.9 Prevention of offences

The Company, its employees and collaborators are committed to preventing and avoiding actions that could be linked to the performance of offences in carrying out operations.

The Company promotes special commitment and implements the relevant measures for the mitigation of the risk of offences involving undue interests or benefits for its organization, especially with reference to offences entailing corporate liability of the Company, pursuant to the provisions of Legislative Decree 231/2001.

3 Ethical principles on an individual scale

3.1 Ethics towards the company

Without prejudice to the obligations resulting from and the provisions of the current legislation and the individual and collective bargaining agreement in force, each employee and each collaborator shall avoid a conduct that contrasts with the corporate ethics, as set forth in this Code of Ethics, which can impact on the Company's reputation and image.

3.2 Integrity, impartiality and compliance with the rules

Integrity represents the reference ethical principle for all the Company's operations to pursue its mission. Relations with stakeholders, at all levels, shall be informed by fairness, collaboration and mutual respect.

In performing their tasks, the Company's employees and collaborators shall put compliance with the law before any other interest, basing their decisions and conduct on the good practices relevant to the assigned task. In no case, pursuing the Company's interests may justify a personal conduct that breaches the laws in force and the rules of this Code.

In performing the relevant duties, employees and collaborators are prohibited from any discrimination relating to age, sex, sexual orientation, health conditions, race, nationality, political or trade-union opinions or religious faith of their stakeholders.

Employees shall reject any unlawful pressure, enticement or requests of favours that could be detrimental to the integrity and impartiality of their tasks, and shall promptly inform their superiors or, should said unlawful pressure come from said superiors, inform the relevant human resource office.

Any employee may not accept nor consider recommendations or suggestions, however called and in any form, to the benefit or to the detriment of any person concerned or participating in procedures for contracting works or supply of services and goods, legal proceedings or internal and/or external selections of staff, if said employee could influence the carrying out or the course of said procedures.



Any employee that aspires to a promotion, transfer or to other measures, shall not unduly try to influence the persons responsible for adopting the relevant decisions, nor shall ask anyone else to do it.

In dealing with matters, all employees, according to the activity they are engaged in, shall respect the chronological order of the requests or priorities.

3.3 Use of corporate assets

Corporate assets are assigned to staff based on work activity; therefore, the use of the same shall be limited to the performance of the assigned functions. The staff shall adopt a responsible conduct complying with the procedures set for the use of corporate assets, substantiating, where required, the relevant use.

Altering in any way the operation of equipment, machines or IT or telematic systems is prohibited, as well as unlawfully acting through any procedure on data, information or programmes held in an IT or telematic system or pertaining to the same.

3.4 Information management

Employees and collaborators to whom, in performing their work activities, confidential information and data become available, shall use said information and data only for the purposes permitted by law or by the internal regulation, and shall be prohibited from using the same for private purposes, either own or third party's; this obligation shall extend also to non-confidential information or documents which become available to the same due to their work. Employees and collaborators shall consult deeds and files to which they are authorized to access and allow access to third parties only in the cases envisaged by law, and to colleagues due to work reasons, in compliance with the instructions issued by the relevant office.

The Company's employees and collaborators shall adopt maximum confidentiality also outside working hours, in order to protect the corporate know-how. As a consequence, without prejudice for compliance with rules on privacy protection, they shall keep professional secrecy and shall keep data and information acquired in the performance of their duties confidential. The confidentiality obligation shall be complied with also after the work relation has terminated.

3.5 Conflicts of interests

Conflicts of interests are all legally irregular situations, in which an employee, collaborator or director exercises powers granted to the same by the company and concomitantly represents economic, personal or third party's interests that are incompatible with said powers.

All employees and collaborators shall be obliged to avoid situations in which conflicts of interests could arise and to avoid advantaging themselves or third parties from activities carried out while performing their work tasks.



In case a conflict of interest arises, the employee/collaborator shall inform his/her direct hierarchical superior or the office and/or unit head which he/she reports to of this.

3.6 Work environment

Each employee or collaborator of the Company shall be required to adopt the rules of civil life in common and of fair social and business relations in the workplace, as envisaged and governed by laws and regulations, as well as by common practices.

The Company recommends its employees to maintain a work environment that respects other people's sensitivity. Therefore, anyone who adopts a conduct which is contrary to civil life in common and to safety standards during his/her work activity and in the workplace shall be held responsible of having willingly jeopardized the existing environment; in particular, it is prohibited:

- working when intoxicated or under the effects of narcotics or of substances having similar effects;
- using or giving away narcotics for any reason during work.

Conditions of chronic addiction to similar substances, where they can affect the quality of the work environment, shall be deemed – with regard to contractual effects – equivalent to the above-mentioned cases.

Relations between employees, at all levels, shall be informed by fairness, collaboration and mutual respect. The Company demands that no harassment be performed in both internal and external work relations, harassment being, by way of an example:

- creating an intimidating, hostile environment for or isolating single workers or groups of workers;
- unjustified interference with the performance of others' work activities;
- hindering others' work prospects for personal competition reasons.

In relations entailing hierarchical reporting, authority shall be exercised impartially and fairly, avoiding any abuse whatsoever. Sexual harassment shall not be tolerated and all conducts and remarks that could bother personal sensitivity shall be avoided.

3.7 Obligation to inform

All addressees of the rules contained herein, who, for work reasons, become aware of existing administrative and procedural irregularities, omissions or forgeries shall immediately inform their hierarchical superior and, in the event that such irregularity involves also the head of the same office, shall inform the latter's superiors.

If what they know can constitute performance of offences pursuant to Legislative Decree 231/2001, the Company Internal Supervisory Body shall be promptly informed.



4 Ethical principles in relations

The complexity of corporate activities is directly linked to the internal and external relation network which the Company maintains with the various stakeholders and which has a multiplying effect on single conducts. In developing the relations arising therefrom, the Company requires its Directors, Employees and Collaborators to adopt conducts that comply with ethical principles similar to those required with regard to personal conduct.

Stakeholders are those subjects (individuals, groups, organizations, institutions) whose contribution is required to attain the Company's corporate mission or who have however an interest in its achievement. Stakeholders include shareholders, the Chairman, the Chief Executive Officers, financing bodies, customers, suppliers, collaborators (either employees or freelancers), the public administration, the community.

Maintaining and developing trusting relations and cooperation with stakeholders is, therefore, a primary interest of the Company, also for the mutual satisfaction of the parties concerned.

4.1 Activities of the Corporate Bodies

4.1.1 Activities of the Corporate Bodies

The activities of the corporate bodies (Board of Directors, Chairperson, Shareholders' General Meeting, Chief Executive Officers, Boards of Auditors) are informed by full compliance with the rules envisaged by the Company's Articles of Association and by the current legislation, both Italian and Community, as well as by the organization and management model pursuant to Legislative Decree No. 231/01.

The members of the corporate bodies shall:

- proactively devote themselves so that the Company can have a benefit from their specific competences;
- continuously take part in the proceedings of the corporate bodies, promptly notifying any conflict of interests with which they are concerned;
- keep all information acquired in performing their office confidential;
- always make the interest of the corporate mission prevail.

The Company corporate bodies shall take the necessary initiatives so that shareholders can participate in the relevant decisions with full awareness and shall see that all shareholders receive the same information.

4.1.2 Supervisory Body pursuant to Legislative Decree No. 231/01

The Supervisory Body pursuant to Legislative Decree 231/01 has been set up by the Company Board of Directors concomitantly with the adoption of the relevant "Organization and Management Model".



Based on the information received or acquired during its supervisory activity, this Body shall assess compliance with the Code of Ethics with regard to corporate liability, as well as with measures envisaged by the Organization and Management Model.

4.2 Relations with shareholders

The Company performs its operations providing shareholders with appropriate information on corporate strategic choices and on the company performance.

4.3 Relations with customers

The Company's operations are based on quality and full customer satisfaction.

In its relations with customers, the Company shall ensure fairness and transparency in business negotiations and in assuming contractual obligations, as well as an accurate and diligent contract fulfilment.

In participating in calls for tenders, the Company shall carefully assess congruity and feasibility of the required performances, regarding in particular the technical and economic conditions, pointing out, promptly where possible, any early warning; the preparation of bids shall aim at compliance with appropriate quality standards, with fair remunerations for employees and with safety measures in force.

In conducting any negotiations, situations shall be avoided in which the subjects that are parties in the transactions are or can seem to be in conflict of interest.

4.4 Relations with third parties and public administrations

The Company's relations with any stakeholder, either public or private, shall be conducted complying with the law and with fairness, transparency and verifiability requirements.

Relations with public employees shall abide by the Code of Conduct relevant for employees of the public sector.

In their relations with public officials, persons managing public services, supervisory authorities, representatives or employees of public bodies, social security bodies, bodies in charge of tax collection, bodies in charge of bankruptcy, civil, criminal, or administrative proceedings, bodies engaged in safety issues and accident prevention, the Company's employees and collaborators are prohibited from giving or promising money or other benefits, in any form that could condition, directly or indirectly, their actions; this principle shall be applied both in the event that the conduct is adopted solely in the interest of the acting person, and in the event it is adopted to the Company's benefit or interest.

This conduct shall apply to transactions relating to contracts, authorizations, licences, concessions, applications for financing and contributions from public bodies, job-order management, in which giving or promising gifts in any form or granting benefits is prohibited, if this exceeds ordinary



practices and uses. These are explicitly prohibited with regard to supervisory activities on the Company performed by said bodies.

In all cases, before offering gifts or benefits, each employee or collaborator of the Company shall, in case of employees, ask the relevant office and/or business unit manager for authorization, or, in case of collaborators, shall inform the manager of the office and/or business unit which he/she collaborates with, in order to agree on the conduct to be adopted.

In order not to perform actions in contrast with the rules of law or however that could prejudice the Company's image and integrity, the above-mentioned transactions and the relating management of financial resources, shall be started only by the corporate departments that are specifically authorized for the purpose, in compliance with the Code of Ethics and with the internal protocols for offence prevention.

The Company's employees or collaborators who, because of their activities, receive gifts or benefits in any form, shall inform their direct hierarchical superior, who shall assess the relevant lawfulness, should said gifts or benefits exceed the modest value based on ordinary practices and uses in the sector of operations.

4.5 Contributions to political parties, trade unions, bodies, associations

Any financial contribution to political parties shall be made by the Company in compliance with the Articles of Association and the current legislation.

The Company shall avoid initiatives that could constitute, directly or indirectly, unlawful pressure on political or trade union figures or on political parties or trade unions.

The Company may grant requests for contributions, limited to the requests from bodies and associations governed by Articles of Association which explicitly state their non-profit nature and whose purpose has high cultural or charity value.

Sponsoring activities, which may regard social, environment, sport, art and performing arts shall concern events or bodies offering quality assurance and with which any possible conflict of interest, either personal or corporate, can be excluded.

4.6 Relations with employees

4.6.1 Selection of staff and formation of work relations

The assessment of staff to be recruited is performed based on the correspondence of candidates' profiles to corporate requirements, ensuring equal opportunities for all persons concerned. The information asked for shall strictly concern the professional and aptitude profile being looked for, in full respect of the candidate's private life and opinions.

Within the limits of available information, the Company shall adopt all appropriate measures to avoid



any partiality, nepotism or clientelism forms in staff selection and recruitment.

The Company does not enter into employment or freelance work contracts with employees of the Independent Auditors performing the statutory audit of the Company's accounts:

- for twelve months after the expiry of the contract between the Company and the same Independent Auditors, or
- when the contract relation between the employee and the Independent Auditors end.

Staff is hired based on a work contract as envisaged by the current legislation and by the national collective bargaining agreement. No irregular work position is allowed.

Before the work relation is established, each employee receives appropriate information relating to the legal, statutory and remuneration aspects of the same work relation, so as the acceptance of the work position ensures awareness of all its aspects.

4.6.2 Staff management

The Company shall avoid any possible discrimination in its relations with its employees. Staff management processes are based on meritocratic principles and the relevant rewards shall be based on objective criteria.

The Companies commits to preserve the ethical profile of its employees and to ensure work conditions that respect personal dignity. For this reason, the Company prohibits any psychological abuse and contrasts all and any attitude or conduct that may be harassing or prejudicial to persons, their beliefs and preferences. Any investigation on employees' ideas, preferences and personal tastes and, in general, on their private life is forbidden.

4.7 Relations with suppliers, contractors and subcontractors

The Company requests its Suppliers to comply with the ethical principles contained herein and, since said compliance is deemed essential to establish fair business relations, supply contracts shall provide for the obligation to be acquainted with this Code's contents and to consistently comply with its principles.

In selecting its suppliers, the Company pursues maximum competitive advantage, adopting a non-discriminatory conduct. As well as moderate prices, the Company considers suppliers' technical/economic capacity, assessing overall reliability with reference to the specific services to be provided.

To ensure integrity and independence in its relations with suppliers, the Company always adopts maximum transparency and efficiency in its purchasing process, through:

- cooperation of the unit requesting the supply and the unit finalizing the relevant contract;
- the adoption of formalities suitable to substantiate choices made ("traceability of the purchasing process phases");
- keeping information and documents relating to the selection of suppliers, as well as



contractual documents, for the time envisaged by current regulations and set forth in the internal purchasing procedures.

The Company, moreover, supervises these processes so that the relevant divisions and employees:

- do not persuade Suppliers to enter into an unfavourable contract in view of subsequent advantages;
- start activities for a consideration only after the finalization of the relevant contracts;
- do not receive gifts or other benefits that cannot be deemed ordinary courtesy.

Relations with Suppliers (within the amount limitations set by the internal procedures) shall be always regulated by specific contracts aimed at achieving maximum clarity on the regulation governing said relations.

4.8 Institutional relations and mass media

In its institutional relations, the Company undertakes to:

- establish, without any discrimination, permanent communication channels with all institutional stakeholders in the reference territory;
- represent the Company's interests and positions transparently, rigorously and consistently, avoiding collusive conducts.

All external communications and communications with mass media shall be exclusively kept by the Company's top management, in cooperation with the offices in charge of communications and external relations, in order to have uniform guidelines.

Statements that are detrimental to the image and interests of the Company shall be prohibited; in the event these are pressed by the mass media, the staff involved shall refer those requesting said statements to the divisions in charge.

Participation of single employees and collaborators in conferences, seminars and work groups, as well as publication of scientific, technical or cultural works relating to their work activities shall be previously authorized by the relevant divisions.

5 Implementation and control procedures

5.1 Adoption of the Code of Ethics

This Code of Ethics shall apply to the conduct of all persons concerned subsequent to its adoption by the Board of Directors. To this end, the Code of Ethics shall be made available to all the Company's employees and collaborators and can be accessed on the internet by all parties concerned.

By adopting the Code of Ethics, the Company has implemented:

- the rules of conduct to be used in internal and external relations, demanding compliance with the same by all collaborators, advisors and, to the relevant extent, by external stakeholders;



- the principles for the Company's organization and management, aimed at having an efficient and effective system for the planning, performance and control of operations, such as to ensure constant compliance with the rules of conduct and to prevent their breaching.

The Code of Ethics may be adopted by all companies in the Pizzarotti Group, controlling/holding companies, subsidiaries and associates, which deem it applicable to the respective operations.

5.2 Revision

Upon resolution of the Board of Directors, this Code may be amended and additions may be made, also based on suggestions and recommendations issued by supervisory bodies.

Any revision and/or substantial amendment to the Code of Ethics shall be then communicated to all subjects and bodies concerned, using the same procedures used for its issuing.

5.3 Assignment of powers

Due to its highly structured operations and complex organization, the Company has adopted a system for the assignment of powers and tasks, explicitly envisaging that tasks shall be assigned to persons having the required skills and competence.

With regard to the extension of the powers so assigned, the Company has adopted and implemented an organization and management model envisaging measures that are appropriate to ensure that operations are carried out complying with the law and with the rules of conduct set forth herein, and to promptly detect risk situations.

5.4 Internal control system

The responsibility of implementing an effective internal control system lies with the Company's entire organization and in particular with the Senior Management.

Internal control includes all activities and instruments that are necessary or useful to steer, manage and audit operations, in order to ensure:

- a) control of the effectiveness and efficiency of transactions, in compliance with corporate strategies, targets and policies, aimed at protecting the Company's equity;
- b) suitability of the IT system, with regard to both the components used for the preparation of the Financial Report to be published and those used for internal management reporting;
- c) compliance with the regulations that apply to the Company operations;
- d) reliability and accuracy of accounts;
- e) prevention of offences through the organization and management model pursuant to Legislative Decree No. 231/01.

Internal control on processes shall be ensured by the single Organizational Units and by the relevant Managers.



All employees and collaborators, in performing the relevant tasks and operations, shall be responsible for the definition and proper operation of the control system.

Each transaction shall be substantiated by appropriate documentation to be kept on file, so as to allow, at any time, control on the reasons and characteristics of single transactions and punctual identification of the persons that, in its various phases, have authorized, performed, recorded and audited the same.

Directors, employees and collaborators, within the scope of the relevant tasks and functions, shall be required to strictly comply with the procedures, as well as to give full cooperation and information availability to the Human Resources Division and to the Internal Supervisory Body, which may carry out the audits deemed necessary to ascertain compliance with the Code of Ethics.

6 Penalties envisaged for breaches to the Code of Ethics

6.1 Detection of breaches to the Code of Ethics

Each manager in charge of an office or organizational unit shall be required to detect any breaches by the staff working in the offices and organizational units hierarchically and/or functionally reporting to the same.

Events and conducts that can constitute breaches of the Code of Ethics shall be reported to the Company Human Resources Division, which shall take the necessary measures, starting, where necessary, targeted internal inquiries. The Internal Supervisory Body shall be informed of said breaches.

6.2 Internal inquiries

The inquiry proceedings relating to a breach of the Code of Ethics concomitantly aims at ensuring the objectiveness of this analysis, as well as the right of the staff involved to express their objections, complying with the provisions of Article 7 of Law No. 300 of 20 May 1970 and of the national collective bargaining agreements that applies to the work relation, or of the regulations, if other, that apply to the subsidiary or associate organization.

The inquiry shall be carried out so as to avoid any retaliation, discrimination or drawback to the persons that have reported the alleged breach, ensuring also that they remain anonymous and the facts reported by the same remain confidential, without prejudice to the obligations pursuant to the law and the protection of the Company's rights.

If the internal inquiry detects a breach or a suspected breach of the Code of Ethics, as well as of the organization and management Model pursuant to Legislative Decree 231/2001, the Human Resources Division shall promptly inform the Internal Supervisory Body.

In these cases, the information to be given to the Supervisory Body includes:



- measures and notifications issued by the Police or by a similar authority, stating that an investigation is in progress for offences pursuant to Legislative Decree. 231/2001, also when started on unknown persons;
- requests of legal aid made by Senior managers and/or employees in case that judiciary proceedings are brought against them for the same offences;
- reports prepared by the persons in charge of control activities, which state facts, actions, events or omissions that can be in contrast with the provisions of Decree 231/2001;
- early warnings or irregularities detected with regard to the rules of conduct as envisaged by the Code of Ethics and the internal procedures and regulations relating to the above-mentioned offences.

To carry out its assessment subsequent to the reporting received, the Internal Supervisory Body avails itself of the subjects whom said reporting has come from.

6.3 Penalties

Compliance with the rules of the Code of Ethics shall be deemed an essential part of contractual obligations envisaged for the Company's employees, pursuant to Article 2104 ("Workers' Due Diligence") of the Italian Civil Code, as well as for the Company's collaborators, and for all those operating in its name and on its behalf.

Breaching said rules shall constitute default of the obligations arising from the work relation, with all legal consequences, also with regard to maintaining the work relation itself.

If the Code of Ethics is breached, the Company shall adopt penalties based on consistency, impartiality, uniformity and proportionality, as well complying with the provisions governing work relations. In these cases, the Company reserves the right to exercise all necessary and expedient actions to obtain compensation for the damage suffered as a consequence of the subject's conduct.

With regard to breaches to the Organization and Management Model adopted pursuant to Legislative Decree 231/01, the criteria for penalties shall be previously defined in the Organization and Management Model by the Board of Directors, to ensuring objectivity and proportionality to the seriousness of the offence.