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1. CODE OF ETHICS

The Caleffi Group (hereinafter referred to as the Group) conducts its activities in compliance with the principles and code of conduct laid down in this Code of Ethics (hereinafter also referred to as the "Code").

The Group acknowledges the importance of ethical - social responsibility and of environmental protection in the conducting of its business dealings and activities and, to this end, it promotes a form of management oriented towards balancing the legitimate interests of its Stakeholders and of the community in the midst of which it operates. The Code is, therefore, based on an ideal of cooperation and respect of all the interests of the parties involved.

The Stakeholders of the Group include its Human Resources (Workers and collaborators), Customers, Suppliers, Public Authorities, the Community at large, and, in a broader sense, all parties involved directly and/or indirectly in the activities of the Group itself.

Within the scope of the internal control system, the Code of Ethics constitutes (pursuant to articles 6 and 7 of Italian Legislative Decree no. 231 of 2001 and the "Guidelines for the creation of organisation, management and control models in accordance with Italian Legislative Decree 231/2001" issued by Confindustria [Confederation of Italian Industry] on 07.03.2002 and subsequent updates), among other things, a precondition and reference to the organisation, management and control model (hereinafter referred to as the "Model") and the penalty system provided for in it.

Verification of the implementation of the Code of Ethics and its effective application is the responsibility of the Supervisory Board, which has been set up for the specific function of verifying the effective operation and observance of the Model and of this Code of Ethics, and which may also make proposals to add to or amend the contents of the same.

The Administrative Body is responsible for updating the Code of Ethics with a view to adapting it to any new legislation and to the growing awareness of society in general.

The Supervisory Board has free access to all of the Group's sources of information and has the right to view documents and consult data, and suggest any updates to the Code of Ethics and the Model, also on the basis of observations reported by Employees. With a view to guaranteeing the effectiveness of the Model, and fully respecting privacy and individual rights, the Group sets up information channels through which anyone gaining knowledge of illegal behaviour can report it freely, and confidentially, directly to the Supervisory Board.

2. MISSION AND ETHICAL VISION

The Group is a manufacturer of components for heating, air conditioning and plumbing systems for residential and industrial applications, and a supplier of pioneering plant engineering solutions. It works for the continuous improvement of its processes, drawing inspiration from a number of fundamental values:

- to operate according to the principles of prevention and traceability, so as to supply a product that is safe and guaranteed, with characteristics which remain constant over time;
- to rationalise the many and varied areas of corporate management;
- to acknowledge the indispensable role of training and the involvement of all of the personnel;
- to integrate in the effectiveness and efficiency goals the principles of sustainable development and accident prevention, vital requirements for guaranteeing responsible and enduring presence on the market.

The Group is committed to a process of internationalisation which involves not only the exportation of its products but also the values it has espoused and which it declares in this Code of Ethics.

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3. ADDRESSEES AND SCOPE OF APPLICATION OF THE CODE OF ETHICS

The addressees of the Code of Ethics are all the Workers and Collaborators of the Group, as well as all those who, directly or indirectly, permanently or temporarily, have working or business relations with it.

In this regard, the Group strives to distribute the Code as widely as possible, to all the parties involved, together with the correct interpretation of its contents, and provides the most suitable tools for promoting its application.

Additionally, it takes the necessary measures to guarantee the performing of verification activities and the monitoring of the application of the Code itself. To this end, the Supervisory Board has, among others, the responsibility to supervise the application of the Code of Ethics.

4. REFERENCE PRINCIPLES

The Group bases the conducting of all activities on respect of its fundamental values and reference principles.

4.1 Observance of the law

Compliance with the laws, transparency and correctness in management, trust and cooperation with Stakeholders - these are the ethical principles to which the Group aspires and from which it derives its own code of conduct, in order to compete effectively and fairly on the market, improve the satisfaction of its Clientele, and add to the skills and professional growth of its Human Resources.

To this end, it demands of its own Shareholders, Directors and Workers in general, as well as of anyone entrusted, for any reason whatsoever, with representative functions, even on a de facto basis, respect for the legislation and all the regulations in force and for all the principles and procedures drawn up for this purpose, as well as behaviour that is ethically correct, so as not to jeopardise its moral and professional reliability.

4.2. Honesty

Honesty is the fundamental principle underlying all of the Group's activities, initiatives, statements and communications, and represents an essential element of its management process.

Relations with Stakeholders are based on the criteria of correctness, cooperation, fairness and mutual respect and on modes of behaviour that reflect these values.

4.3 Transparency and completeness of information

The Group acknowledges the fundamental value of providing correct information to the competent functions and bodies, in terms of important facts concerning the management of the company and its accounts.

4.4 Correctness in company management and use of resources

The Group pursues its corporate purpose in accordance with the law, the Articles of Association and the corporate rules, guaranteeing the correct operation of the corporate bodies and the protection of the proprietary and participatory rights of all of the Stakeholders, while safeguarding the integrity of the company capital and assets.

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4.5 Confidentiality of the information

The Group guarantees the confidentiality of the information in its possession, the observance of legislation on the subject of the protection of personal data and abstains from seeking confidential data through illegal means.

All the information available is processed in full respect of the confidentiality and privacy of the parties involved, as provided for in the Safety Policy Document (DPS) in place, and in the procedures contained in it.

4.6 Respect for the human person

The Group promotes respect of the physical and cultural integrity of the human person and respect of the relational dimension with other people, considering the origin, extraction and cultural diversities existing within the body of the Group itself.

It guarantees working conditions that respect the dignity of the individual and workplaces that are safe to work in, and it applies to its Workers and Collaborators the legislation and employment contracts in force, irrespective of the geographical location of its activities.

It also guarantees constant personal and professional training to all Workers and Collaborators, in order to ensure that the professional career of all of the Human Resources is constantly developed throughout their period of employment within the Group.

4.7 Prevention of conflicts of interest

With a view to avoiding even only potential conflicts of interest, before assigning a role or stipulating an employment relationship, the Group ensures that no conflicts of interest exist between the interests of its Directors, Workers and Collaborators and those of the Group.

It also requests that anyone having knowledge of any conflict of interest situations report this to the Supervisory Board in a timely manner.

4.8. Innovation, environmental protection and safety

The Group is tirelessly committed to the pursuit of innovative solutions that will allow it to seek a constant balance between economic initiatives and social and environmental requirements.

On one hand, the Group considers the environment as a primary asset, voluntarily adopting a responsible attitude based on the principles of sustainable development.

On the other, it considers "safety culture" an indispensable value to be communicated to all of the Stakeholders, no matter where they might be.

5. CODE OF CONDUCT

All parties who, for whatever the reason, interact with the Group shall be required to adopt a code of conduct that respects the values and reference principles laid down in this Code of Ethics.

5.1. Shareholders

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The Group promotes equality and completeness of information so as to ensure that the participation of Shareholders in decisions within their sphere of competence will be responsible and well-informed.

5.2. Corporate information

The Group guarantees the keeping of accounting records, the formulation and drawing up of annual financial statements, interim financial statements, reports, tables, corporate communications in general and anything else required for its operation, in compliance with the legal provisions, principles and the technical regulations in force. For this purpose, it supervises the work of the Directors, Managers and the persons under their supervision involved, for any reason whatsoever, in activities concerning the drawing up of the accounts, financial statements or any other similar documents.

It encourages the distribution of correct and timely information to all the bodies and functions involved in the drawing up of annual financial statements, interim financial statements, reports, tables, corporate communications in general and anything else required for its operation, in compliance with the legal provisions, principles and technical regulations in force. It also brings about correct cooperation between the aforementioned bodies and the corporate functions and ensures that the planned controls are carried out by the competent bodies and functions.

Each operation and transaction is correctly registered, authorised and a record is kept of it so as to facilitate accounting, the identification of the various levels of responsibility and an accurate reconstruction of the operation, also in order to reduce the probability of errors of interpretation.

As far as financial transactions are concerned, there is a strict division of tasks between the personnel who register the documents (Customer/Supplier accounting), checking that they match the purchase orders, those who make the payments (Cash Office), those who authorise and physically sign the payment orders (Administration Department) and those who finally check, through Remote Banking the banking operations actually carried out (General Accounting), comparing the bank statement with the registrations made by the competent offices.

5.3. Human resources

The Group recognises the centrality of the Human Resources and the importance of establishing and maintain relationships based on loyalty and mutual trust. In this sense, Human Resources is understood to include the Workers and any other parties who collaborate with the Companies belonging to the Group under various forms of contract other than standard employee contracts.

All these parties undertake to behave loyally with a view to respecting, on the one hand, the obligations laid down by the contracts governing their relationship with the Group, and on the other, the rules laid down in this Code of Ethics, guaranteeing the services requested of them and respecting the commitments entered into.

5.3.1. Personnel recruitment and the formation of the employment relationship

The evaluation of the personnel to be employed is carried out by matching candidate profiles with those responding to the expectations and needs of the Group, following principles of impartiality and equal opportunities for all parties involved.

With all personnel hired, a regular work contract is drawn up on the basis of the various forms of contract available, which may also be different from the standard employment contract.

When the collaboration relationship begins, the Worker and the Collaborator receive detailed information describing their duties and functions, the legislative and remunerative aspects of the job and the regulations and code of conduct to be followed for the management of any risks connected with health and personal safety.

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5.3.2. Human Resources management policies

Any kind of discrimination against persons is prohibited.

All the decisions taken with regard to the management and development of Human Resources are based on considerations of merit and/or the matching of the professional profiles sought by the Group with those presented by candidates and personnel. The same applies with regard to access to different roles or assignments.

In the management of hierarchical relationships, authority is exercised fairly and correctly, avoiding any kind of abuse of power. Abuse of a position of authority would be to request, as a service due to a hierarchical superior, the performance of work, personal favours and any other type of behaviour that could constitute a violation of this Code of Ethics.

The Human Resources are developed to the full through the activation of the levers available to promote their professional knowledge and growth.

The competent functions shall, therefore:

- select, hire, train, pay and manage the Workers without discrimination of any kind;
- create and maintain a work environment in which personal traits cannot give rise to discrimination;
- adopt criteria based on merit, competence and, in any case, strictly professional aspects, for any decisions regarding the Worker;
- manage the relationship with the internal Trade Union Representatives, when existing, in a correct, transparent manner and in accordance with the relevant legislation in force.

5.3.3. Health and safety

The Group publicises and disseminates its safety culture by raising awareness in risk management issues, encouraging responsible behaviour and protecting, particularly with preventive actions, the health and safety of all of its Stakeholders, especially that of its Workers and Collaborators and all those who, for any reason whatsoever, find themselves inside the Group's production facilities.

All these parties shall comply scrupulously with the rules and obligations deriving from the reference standards on the subject of health and safety, as well as with all the health and safety measures provided for by the internal procedures and regulations.

5.3.4. Management of information and privacy policy

The privacy of all those who enter into contact with the Group, for any reason whatsoever, is safeguarded by the reference principles and operating standards which specify the information received and how it is processed and stored. Surveys on the ideas, preferences, personal tastes and private life of individuals is prohibited

Anyone who enters into contact with the Group shall have knowledge of and implement the terms of its policies governing the security of information, in order to guarantee the integrity, confidentiality and availability of the same.

It is the responsibility of each individual to guarantee the confidentiality required by circumstances relative to any knowledge gained in the performance of his/her work duties.

5.3.5. Conflicts of interest

The Group's Workers shall avoid any and all situations and activities that could lead to a conflict of interests with the Group itself, or that could interfere with their capacity to make decisions in an impartial manner in the best interests of the company, and in full observance of the rules laid down in

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the Code. They must, moreover, abstain from attempts to gain personal advantage from dispositions of company assets or from business opportunities which they may have gained knowledge of in the performance of their functions.

The Group acknowledges and respects the right of its own Workers to take part in investments, business deals or activities of other kinds outside of those carried out in the interest of the Group, provided that these are activities permitted by the law and by contractual provisions and compatible with the obligations entered into as Workers.

Any situation that could give rise to a conflict of interest must be communicated in a timely manner by each individual to his/her direct superior or company contact and to the Supervisory Board. In particular, all Workers and Collaborators shall avoid conflicts of interest between their personal and family-related economic affairs and the duties they are appointed to perform in the corporate structure to which they belong. By way of non-limiting example, the following situations give rise to conflicts of interest:

- when an individual having top management functions (Director, Board Member, Head of Department) also has economic or financial interests with Suppliers, Customers, Competitors or trading Partners of the Group;
- when an individual uses his/her position in the Group or information acquired in the performance of his/her duties in such a way as to create a conflict between his/her own personal interests and the interests of the Companies belonging to the Group;
- when an individual works, in any capacity whatsoever, on the premises of Customers, Suppliers or Competitors;
- when an individual accepts or offers money, favours or benefits from persons or companies which already have business relations with the Group or which intend to set up such relations.

In the event of even only an apparent conflict of interests, the Worker or Collaborator shall inform his own Managers/Superiors as well as the Supervisory Board.

5.3.6. Use and protection of the Group's assets

All Workers or Collaborators are bound to operate with due care and diligence in order to protect the assets belonging to the Group, through responsible behaviour in line with the operating procedures drawn up to govern their use, and documenting the use of the same when required.

All Workers or Collaborators are responsible for protecting the resources entrusted to them and are bound to inform the relevant structures in a timely manner of any threats or harmful events likely to damage the Group itself or its assets.

In particular, all Workers or Collaborators shall:

- avoid improper use which could lead to undue costs, damage or reduced efficiency and which is, in any case, in conflict with the interests of the Group;
- scrupulously adopt the rules contained in the company policies and internal procedures, so as not to jeopardise the functionality, protection and security of the Group's IT systems, equipment and plant;
- always operate in compliance with the safety regulations provided for by the law and by the internal procedures, with a view to preventing possible damage to property, persons or the environment;
- use the Group's assets, of any kind and value, in compliance with the law and the internal regulations;
- use the Group's assets exclusively for purposes connected with and useful for the conducting of work activities and, except when provided for by specific regulations and internal agreements, not allow them to be used, use them or transfer them to third parties, even on a temporary basis;

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- as far as possible, take steps to reduce the risk of theft, damage or any other threats to the assets and resources assigned or existing, informing the functions responsible for them in a timely manner of anything out of the ordinary.

5.3.7. Observance of the regulations laid down in the Code of Ethics

All those who establish a relationship with the Group shall have knowledge of the regulations contained in the Code of Ethics and the reference standards that govern the activities carried out within the area of their function, deriving from the law or from internal procedures and rules.

They shall also explicitly accept the commitments deriving from this Code of Ethics, as of the moment when a work or collaboration agreement is set up or the Code is distributed for the first time.

In particular, they shall:

- abstain from behaviour that is against the regulations contained in the Code;
- ask their superiors, company contacts or to the Supervisory Board when they are in need of clarifications on the application of the said regulations;
- report in a timely manner to their superiors, company contacts or to the Supervisory Board, should they gain knowledge, either directly or through other people, of any possible violation of the code or any request made to them to violate it;
- cooperate with the structures appointed to investigate possible violations of the Code;
- properly inform any third parties with whom they are in contact for work reasons regarding the existence of the Code and the commitments and obligations imposed by it on external parties;
- demand compliance with the obligations that directly concern their activity;
- adopt the appropriate internal and, if within their sphere of competence, external initiatives, should third parties fail to comply with the regulations laid down by the Code.

5.4. Integrity and independence in relations with Customers and Suppliers

In all business relationships with Customers and Suppliers, it is prohibited to offer or receive benefits (whether direct or indirect), gifts and acts of courtesy and hospitality which could, due to their nature or value, be interpreted as a means to obtain special treatment not determined by the rules of the market. In other cases, any gifts, acts of courtesy and hospitality must be communicated to the Supervisory Board.

Any Worker who receives gifts or special treatment from Customers or Suppliers which exceed the limits of normal relations of courtesy, shall immediately inform his/her superior, who will inform the Supervisory Board which, after carrying out the required checks, will reach a decision on the matter.

5.4.1. Customers

Behaviour towards Customers shall be helpful, respectful and courteous, based on cooperation and impeccable professionalism.

The Group pursues its mission by offering products and services under competitive conditions and in compliance with all the regulations designed to protect fair competition.

Workers and Collaborators shall:

- supply, efficiently, courteously and promptly, within the limits of contractual provisions, high quality products and services which meet the reasonable expectations and needs of the Customer:

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- supply, where necessary and according to the procedures and methods provided for by company policies, accurate and comprehensive information on the Group's products, to enable the Customer to make informed decisions;
- only make true statements in its advertising and other communications.

5.4.2. Selection of Suppliers

Suppliers are selected and purchasing conditions defined on the basis of objective parameters such as quality, expediency, price, capacity and efficiency.

For the Group, the following reference requirements apply:

- the professionalism of the party under examination;
- the availability, duly documented, of means - also financial - organised structures, design capacities and resources, know-how, etc.;
- the existence and effective implementation of quality, safety and environmental systems.

In relations involving work contracts, procurement and the supplying of goods and services in general, the Group:

- adopts, when selecting Suppliers, the evaluation criteria provided for by the existing procedures, in an objective and transparent manner;
- does not prevent anyone possessing the required characteristics from competing in the stipulation of contracts, adopting in the choice of candidates, objective criteria that can be documented;
- guarantees sufficient competition for each tendering procedure: any derogations must be authorised and documented;
- complies with the conditions provided for in the contract;
- maintains a frank and open dialogue with Suppliers, in line with good trading practices.

The stipulation of a contract with a Supplier and the management of the relationship with the same are based on a very clear relationship avoiding, as far as possible, excessive mutual dependence.

In order to guarantee maximum transparency and efficiency of the purchasing process, the Group guarantees:

- appropriate traceability of the choices made;
- storing of the information and of the official tendering and contractual documents for the time intervals established by the legislation in force.

5.4.3. Safeguarding of the ethical – environmental aspects of the supplies

With a view to adapting the purchasing of goods and services to the ethical - environmental reference principles, the Group may request, for certain suppliers, requirements of a social and/or environmental nature (e.g. the existence of an Environmental Management System or SA 8000 certification). To this end, special clauses may be added to the individual contracts.

5.5. Environment and Safety

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The Group considers the themes connected with the environment and with safety to be of the utmost importance.

For this reason, in the management of corporate activities it takes environmental protection and energy efficiency into account, making every effort to improve health and safety conditions in the workplace.

Research and technological innovation are particularly dedicated to the promotion of products, activities and processes that are compatible, as far as possible, with the environment and the safety and health of the Workers.

Within their own sphere of competence, Workers and Collaborators take part in the process for the prevention of risks, protection of the environment and safeguarding of health and safety both for themselves and for their colleagues and third parties.

In particular, the Group, also through active cooperation with its Workers and Collaborators:

- promotes and takes all reasonable steps to minimise risks and remove any causes that could endanger the health and safety of persons;
- pays constant attention and is tirelessly committed to improving its own environmental performance, minimising its negative impact on the environment and using natural resources intelligently and responsibly;
- assesses in advance the environmental impacts of new corporate activities and processes;
- works together with its Stakeholders, both internal and external, to optimise the management of profiles relative to health, safety and environmental issues;
- maintains high levels of safety and environmental protection through the implementation of appropriate management and monitoring systems.

5.6. The Community

The Group is well aware of the effects of its activities on the reference context, on economic and social development and on the well-being of the community in general and concentrates attention, in its own work, on reconciling the various interests.

It considers dialogue with its Stakeholders to be of strategic importance for the correct development of its own activities and develops, where possible, a permanent channel of communication with the associations representing its Stakeholders, with a view to cooperating to further mutual interests.

5.6.1 Relations with political and trade union organisations

The Group abstains from giving any kind of direct or indirect contribution, under any form whatsoever, to trade union and political parties, movements, committees and organisations, (with the exclusion of the organisations referred to below) or to their representatives and candidates, except for what is due and/or permitted in accordance with the specific rules of law.

5.6.2. Relationships with charities and non-profit organisations

The Group approves of and, if appropriate, supports social, cultural and humanitarian initiatives.

5.6.3. Relations with the mass media and dissemination of information

Relations with the press, means of communication and information and, more in general, external parties shall only be maintained by those expressly authorised to do so, in compliance with the procedures adopted by the Group.

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Communications with the outside follow the guiding principles of truth, correctness, transparency and prudence and are geared to disseminating knowledge of the Group's corporate policies, programmes and projects.

Workers and Collaborators are not allowed to leak information to the outside, or to promise to provide such information, without requesting authorisation from the appropriate corporate functions.

In no manner or form whatsoever is it permitted to offer payments, gifts or other benefits for the purpose of influencing the professional activities of the mass media, or which could be reasonably construed as having such purpose.

5.7. Relations with Public Authorities

Relations concerning the activities of the Group with Public Officials or public service representatives (working on behalf of central or local Public Authorities, legislative bodies, community institutions, international public organisations or of any foreign countries), with the judiciary, with public enforcement authorities and with other independent authorities, as well as with private partners concessionaires of a public service, shall be undertaken and managed in strict and absolute compliance with the laws and the standards in force, with the principles laid down in the Code of Ethics and in the internal protocols of the Model, so as not to jeopardise the integrity and reputation of both parties involved. To this end, the assumption of obligations with Public Authorities and Public Institutions is reserved exclusively to the appointed and authorised functions which will deal with matters in compliance with the laws and principles of the Code of Ethics and in strict observance of the Model.

The Group prohibits its Workers, Collaborators or Representatives, and more in general all those operating in its interests, in its name or on its behalf, from entering into relations with Public Officials, Public Service representatives or Employees in general of Public Authorities or other Public Institutions, that could influence decisions, leading to special treatment.

Any Worker who receives, directly or indirectly, requests, or offers of money or favours of any kind whatsoever (including, for example, gifts or presents that are not of moderate value) made unduly to those, or by those, operating on behalf of the Group in the context of relations with Public officials, Public Service representatives or employees in general of Public Authorities (Italian or foreign) or of any other Public Institutions, or with private parties (Italian or foreign) shall immediately inform the Supervisory Board so that appropriate measures might be taken.

All relationships with state or foreign institutions shall, therefore, be limited exclusively to forms of communication that serve to describe the activities of the Group, to respond to requests or audits (interrogations, questions), or in any case to clarify the Group's position on issues of importance.

To this end, the Group:

- operates, without discrimination of any kind, through specific channels of communication with appointed national, international, Community and territorial representatives;
- represents its own interests and positions in a transparent, strict and consistent manner, avoiding collusive attitudes of any kind;
- avoids falsifying and/or altering data on documents in an attempt to obtain undue advantages or any other kind of benefit for the Group and avoids allocating public funds for purposes other than those for which they were obtained.

6. INTERNAL CONTROL SYSTEM AND PROCEDURE FOR IMPLEMENTING THE CODE OF ETHICS

With regard to the implementation of the Code of Ethics, an organised and well-structured control system is in operation.

6.1. Internal Control system

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The term 'internal controls' refers to all those tools necessary or useful for addressing, managing and verifying corporate activities in order to guarantee compliance with the laws and procedures, protect the assets of the Group and the health and safety of human beings, manage activities and supply accurate and complete accounting and financial data.

Attitudes towards the controls must be positive as they contribute considerably to improving efficiency. It is, in fact, the Group's policy to disseminate a culture at all levels based on raising the awareness of the existence of these controls.

The internal control system, as a whole, shall reasonably permit:

- compliance with the laws in force, with the procedures and with the Code of Ethics and the Model;
- respect for the Group's strategies and policies;
- protection of the Group's assets, both tangible and intangible;
- management effectiveness and efficiency;
- the reliability of financial, accounting and management-related information, both internal and external;
- the efficacy of the social responsibility policies adopted.

The responsibility for creating an effective internal control system is common to each level of the organisational structure; as a result, all Workers, within their own sphere of competence, are responsible for the efficient operation of the control system.

6.2. Supervisory Board

In relation to the implementation of the Code of Ethics, the Supervisory Board has the following responsibilities:

- to monitor the application of the Code of Ethics by the parties involved and to receive any observations reported by internal and external Stakeholders;
- to report periodically to the Administrative Body and to the Board of Statutory Auditors on the results of the activities carried out, drawing attention to any major violations of the Code;
- to express opinions on the review of the most important policies and procedures, with a view to guaranteeing consistency with the Code of Ethics;
- to propose, when the need arises, a periodical review of the Code of Ethics.

6.3. Communication and training

The Code of Ethics is brought to the attention of all of the parties involved, both internal and external, through specific communication actions.

For the purpose of ensuring the proper understanding of the Code of Ethics, the Human Resources Department draws up and implements, also on the basis of instructions from the Supervisory Board, a periodical communication/training plan geared to promoting knowledge of the principles and ethical standards contained in the Code. The training initiatives may be differentiated on the basis of the role and responsibilities of the Workers and Collaborators.

6.4. Stakeholders' observations

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The Group establishes channels of communication through which stakeholders can report observations regarding the Code of Ethics or any violations of the same.

Any stakeholders can report to the Supervisory Board - also in writing, and either anonymously or explicitly - any violations or suspected violations of the Code of Ethics and the said board will proceed to analyse the observations made, interrogating the author of the report and the person responsible for the alleged violation, if so required. The Supervisory Board will guarantee the reporting parties protection against any kind of reprisal, in terms of any kind of action that could give grounds for even suspecting a form of discrimination or penalisation. Moreover, the Supervisory Board undertakes to guarantee the confidentiality of the identity of the reporting party, unless otherwise required by law.

6.5. Violations of the Code of Ethics

In the event of a proven violation of the Code of Ethics, the Supervisory Board reports the observations together with any suggestions deemed necessary to the Human Resources Department, whose responsibility it is to decide whether a disciplinary measures should be taken.

If the proven violation has been committed by a member of the Board of Statutory Auditors, the Supervisory Board will report the incident directly to the Administrative Body.

If, on the other hand, the proven violation was committed by a member of the Administrative Body itself, the Supervisory Board shall inform both the Board of Statutory Auditors and the Shareholders' Meeting.

6.6. Penalty system guidelines

Violation of the principles laid down by the Code of Ethics and the procedures contained in the Model damage the relationship of trust between the Group and its Directors, Workers, Consultants, various types of Collaborators, Customers, Suppliers and trading and financial Partners.

For this reason, such violations will be followed up in a prompt and timely manner through the application - to an appropriate and proportionate degree - of the disciplinary measures provided for in the Model, independently of the criminal relevance of such behaviour and of the initiation of criminal proceedings in cases in which crimes are committed.

The effects of the violation of the Code of Ethics and the Model must be taken into serious consideration by all those involved in relations of any kind with the Group. To this end, the Group provides clear details in the Code of Ethics of the penalties provided for in the event of violation, and of how the said penalties are imposed.