



Code of Conduct



INDEX

1.Introduction	4
2. Scope of the Code of Conduct	4
3. Company Mission	4
4. Application field and receivers of the Code of Conduct	5
5. Reference ethical principles	6
6. General behavioural standard	7
6.1 Knowledge of the regulations in force	7
6.2 Use of company assets (including IT tools)	7
6.3 Loyalty and confidentiality	8
6.4 Conflict of interests	9
7 Governance principles	10
7.1 Accounting	10
7.2 Protection principle	10
8 Behavioural rules in the relationship with the company employees	12
8.1. Staff selection and recruitment	12
8.2 Formalising any employment	12
8.3 Employee assessment and professional career	12
8.6 Discrimination and harassment	12
9 Behavioural rules in the relationship with the third parties	14
9.1. Conduct criteria towards customers	14
9.2. Conduct criteria towards customers	14
9.3 Relationships with international operators	15
9.4 Purchase of “Conflict Metals”	15
9.5 Conduct criteria toward the Public administration and public institutions	15
9.6 Relationships with the Supervisory boards	16
10. Worker safety and security protection	17
11.Environmental protection	18
12. Disciplinary system	20
12.1 General principles	20
12.2 Sanctions to be applied to the employees	20
12.3 Discipline applicable to the relationships with suppliers and consultants	21
12.4 Guarantor of the Code of Conduct	21
13 Final provisions	22

1. INTRODUCTION

The present document expresses the willingness of Fondinox SpA to define **values and principles which every person working on behalf and in name of the company should be inspired by.**

Such values and principles represent the basic guarantee of the company moral and ethical orientation, of the compliance with the regulations and laws at present in force, of the efficient and effective enforcement of the company processes in compliance with the rights of the affected parties (customers, employees, suppliers, public administration, shareholders, etc.). Fondinox SpA is convinced that a strong ethics in business supports the success of the entrepreneurial activity, thus promoting a widespread image of the company of reliability, correctness and transparency of its activities, primary and essential values for the Company.

2. SCOPE OF THE CODE OF CONDUCT

Fondinox SpA drafted the present Code of Conduct as to clearly and transparently define the values which the Company is inspired by to reach its goals.

The adoption of relevant ethical principles is essential for the Fondinox Spa governance and operating framework.

The Code of Conduct defines the governance and behaviour principles that any corporate body, company employee and consultant should comply with, in their relationships within the company and with customers and more in general with third parties (including the public administration).

Fondinox asks all its employees and whoever is working for the company to comply with the company rules and principles defined in the present Code, which are essential and unavoidable for the correct operation, accountability, reliability, fame and reputation, image and success of the Company.

3. COMPANY MISSION

Fondinox S.p.A. is a leading manufacturer of static and centrifugal castings in stainless steel alloys, resistant to corrosion, destined to the oil and gas, petrochemical, chemical, pharmaceutical and energy production sectors.

Fondinox S.p.A intends to comply with its customer requirements and needs offering high quality products while correctly enforcing at the same time regulations and laws in force, respecting the environment and committing to cut accidents and injuries to the bare minimum, in a favourable operating environment for employees, consultants and third parties.

4. APPLICATION FIELD AND RECEIVERS OF THE CODE OF CONDUCT

The Code of Conduct consists of the following parts:

- Reference ethical principles
- General behaviour standard
- Governance principles
- Behaviour rules in the relationship with the company employees
- Behaviour rules in the relationship with the third parties
- Worker safety and security protection
- Protection of the environment
- Disciplinary system

The present Code of Conduct applies to all the subjects, Employees, Consultants, Suppliers, directly and indirectly, temporarily or in time, have, form, establish or keep a relationship with Fondinox SpA.

Fondinox spread out its Code of Conduct to all the affected stakeholders, supporting the correct interpretation of the reported principles while checking its correct application and enforcement by the subject themselves.

The receivers are entitled to protect, through their behaviour, the fame, respectability and image of Fondinox SpA and its corporate assets.

More precisely the following subjects are obliged to comply with the Code of Conduct;

1. Members of the **Board of directors** who must strictly comply with the regulations in force, with the principles reported in the Code of Conduct and with the company enforced procedures. They should stand out as an example for the subject they work with and they must promote and spread out the information in the Code of Conduct. It is up to the board of directors to reinforce strength, cohesion, team-building and the feeling of belonging to the same company.
2. Fondinox SpA **Employees and consultants** who should comply with the Code of Conduct and the internal procedures enforced by the company:
3. **Suppliers/vendors** and any other subject who, even though not permanent members of the company organisation, interact, in several respect, with the company Fondinox SpA. In the case of a new business relationship, whatever the reason, Fondinox informs the subjects of the content of the Code of Conduct, preventing that a possible non compliance with its principles and values leads to the termination of any relationship.

5. REFERENCE ETHICAL PRINCIPLES

Fondinox bases its governance, organisation and operation on the following principles:

Honesty. Honesty is the leading principle for any Fondinox activity and initiative, and it represents the main value for the organisation management and governance as well. The relationship with the stakeholders, at any level, are to be based on correctness, co-operation, loyalty and mutual respect.

Legality. The company will do its best to comply with any regulation, law, provision, directive and information, at the national and international level and with all the mainly recognised best practices. What is more it bases its decision and behaviours on the same principles, as to enforce an economic "legal" framework supporting development, wealth and growth for everybody and the society in general.

Fairness and equal opportunities. Fondinox is committed to provide for a non-discriminating working environment whatsoever on grounds of age, genre, sexual orientation, health condition, disability, nationality, political opinion and religious belief.

Transparency. Fondinox will transparently and clearly work, without favouring any supporting group or single individual .

Customer-oriented. Fondinox will promote among its employees the awareness the company is customer-oriented and that the customer satisfaction is what really matters.

Specialisation. The company is well aware that casting is still at present an activity whose features and professional expertise belong to Arts and Crafts, developed in time thanks to the clever integration and supplement of the best possible technology available.

Professional growth. Fondinox is committed to provide for the required training to drive each single employee professional growth and strongly supports each employee drive to the constant improvement.

Protection of the environment and workplace security and safety. Fondinox is aware that it is very important to cut the environmental impact from any production activity to the bare minimum and to provide for the best workplace security and safety to its employees and consultants. Thus a management system leading to the environmental protection and to the workplace security and safety is enforced in compliance with the regulations in force.

Accountability to the collectivity. Fondinox, well aware of its social role on the territory, on the economic and social development and on the general community welfare, respects the local and national communities supporting cultural and social initiatives thus improving its standing and legitimising its operation.

Personal data protection. Fondinox, as to protect the individual privacy, enforced management and control measures on personal data and training of its staff to the correct and safe data treatment as to cut any improper use of personal data to the bare minimum.

Fondinox S.p.A. As to comply with its mission, spread out the following values among its staff:

COMPANY PRIDE The sense of belonging to a Serious and concrete Organisation, a market leader for more than 50 years.

FLEXIBILITY The capacity to comply with changes is a competitive edge, thus Fondinox asks its staff to be always available and ready to change.

SIMPLICITY Fondinox believes in the culture of "Lean", of lean processes, of the reduction of bureaucracy to the bare minimum as to provide for the real company success. Thus the Company asks its staff to do its best to reduce inefficiencies at any level to the bare minimum.

6. GENERAL BEHAVIOURAL STANDARD

Fondinox SpA, coherently with its values and principles, defines a series of conduct rules to be enforced by whoever works in the name and on behalf of the company.

The principles in the present Code of Conduct supplements the conduct rules which each receiver should comply with, in compliance with the general diligence, correctness and loyalty duties each operation performance should be based on, according to what forecast by articles 2104 and 2105 of the Italian Civil Code and by the general labour sector contracts and by further regulations and standards enforced by the company to govern specific company and organisation activities.

6.1 KNOWLEDGE OF THE REGULATIONS IN FORCE

Fondinox believes that in a confidence relationship with its employees and consultants it is extremely important to know and enforce any discipline governing the company activity, the compliance with the regulations and standards in force besides the prescriptions and provisions imposed by the present Code.

Thus Fondinox provides its employees and consultant with all the suitable training and updating tools to reach the required information and professional expertise to carry out the demanded activities, enhancing and promoting in time each single competences and attitudes.

6.2 USE OF COMPANY ASSETS (INCLUDING IT TOOLS)

Tangible and intangible assets belonging to Fondinox are important and they should be carefully and accurately used to reach the company goals.

Such asset protection and conservation is important to protect the company interest. The use of such assets by the employees and consultants should be functional and exclusive to the company activities and for any other scope and goal authorised by the liable company managers. It is up to the company employees, when carrying out their activities, to use and profit from such assets with

the best possible attention and confidentiality, avoiding incorrect or abusive and non-authorized use by third parties.

More precisely employees and consultants should use and protect while keeping in good state of repair and working conditions any company asset, in compliance with its operating and service instructions. The Employee/Consultant will be liable for any damage, accident or injury, even to third parties because of his/her fault or neglect or even non compliance with the operating and service instructions.

As for the use of IT tools, each employee is liable for the operating system safety and he/she should comply with the regulations in force and with the licence contract conditions.

Unless differently forecast by the civil and criminal provisions in force, the use of the company networks for different scopes than the operating activity is to be considered an incorrect and improper use of the company assets, as well as forwarding offensive messages or messages that could damage the image or fame of the company.

Each employee or consultant should furthermore do his/her best to prevent any possible crime when using any company IT tool. More precisely he/she should pay attention to any download activity, copy or spreading out of any material covered by copyright. These are to be considered activities violating any regulation or standard in force in many countries and can lead to disciplinary measures or legal proceedings.

6.3 LOYALTY AND CONFIDENTIALITY

Fondinox staff should diligently and loyally work with the due competence.

Art. 2105 of the Italian Civil code (employees should not do business on his/her behalf or name, in competition with his/her employer nor spread out information relating to the company and its production method or use the information he/she gets causing prejudice and damage to the company) does not allow any employee to carry out any wage labour for third parties, with no preventive consent or authorisation by the company or to carry out any activity which is clearly against the interests of the company.

As the company activities constantly require acquisition, storage, treatment, communication and spreading of information, procedures, know-how, expertise, etc., each employee and consultant is liable for providing for the confidentiality requested according to the information he/she receives to carry out his/her activity.

The company staff at any level whatsoever can forward internal communication or confidential information belonging to Fondinox SpA outside only if duly and promptly authorised by the company.

The IT and paper archives (databases and "Data banks") can hold among other personal information which should not be spread out and information whose uncontrolled or ultimate communication and spreading could damage the company or third parties as well. Fondinox will do its best to protect any information relating to its employees, customers and third parties in

general and to avoid any information incorrect use and when treating any personal data, its staff will promptly and carefully comply with the regulations approved and spread out by the company.

6.4 CONFLICT OF INTERESTS

Fondinox does not allow its employees and consultants to be involved in any business activity which could lead to conflict of interests with their offices within the company.

It applies to employees or consultant pursuing different interests than the company mission or taking undue advantage from any Fondinox business opportunity and also in case customer or supplier or public administration representative betray the fiduciary duties strictly connected to their office.

The direct supervisor should be promptly informed about any different situation which can represent or lead to a conflict of interest as to be able to provide for the due information and directions on how to proceed.

Employees or consultants are not allowed to accept money or other gifts from third parties for suggestions or services supplied when working for the Company.

7 GOVERNANCE PRINCIPLES

Fondinox managers act and resolve with full knowledge and independently, aiming at creating values for the Company in compliance with the legality and correctness principles.

More precisely the directors of the board are individually liable to comply with their office seriously, professionally and skilfully thus allowing the Company to profit from their competences.

7.1 ACCOUNTING

Precision and integrity when keeping the company accounting books and registers are what matters to lead to the company success. The staff should comply with the following provisions as for the Company financial documents:

- **Accounting principles:** The staff should comply with the generally accepted accounting principles whenever applicable and with all the regulations and standard connected. The staff should finalise any transaction in compliance with the company procedures and policies.
- **Funds which are not registered:** Any transaction and agreement, assets, liabilities, receivables and payables are to be recorded and described in the Company accounting books and registers.
- **False recording:** The staff should never be liable for false or deceiving recordings in the company registers or documents or support, enable or promote a similar conduct.
- **Recognition of cash paid and received:** Cash received is to be recorded when received and cash paid when paid. No accelerated (before the competence period), postponed (following the competence period) and counterfeited charging or accounting leading to whatsoever change to the correct accounting and registration is allowed.
- **Authorisation:** To access the current accounts or to make any bank transfer, the company staff should be authorised according to the company cash management policies. The company cash, funds and assets can only be used by the staff if being authorised and only to reach the legitimate company goals.
- **Payments:** The staff can't make any payment on behalf and in the name of the Company without due evidence or for a different goal than what described in the payment evidence.

In case a Fondinox employee or consultant is informed about omissions, counterfeiting or negligence as for the accounting, he/she is obliged to inform his/her supervisor or his/her reference manager.

7.2 PROTECTION PRINCIPLE

Fondinox will protect the integrity of the corporate stock and its creditors and third party rights dealing with the Company. It is committed to work transparently and correctly on the market in compliance with the provisions imposed by the Government supervisory boards.

Fondinox will spread out and comply with the conduct rules aiming at protecting such values, as to prevent any company crime or offence.

8 BEHAVIOURAL RULES IN THE RELATIONSHIP WITH THE COMPANY

EMPLOYEES

8.1. STAFF SELECTION AND RECRUITMENT

Starting from the assessment of company new requirements for personnel, up to the possible candidate selection, the staff recruitment process should be based on objective criteria always oriented to guarantee the highest possible benefit to the company.

Fondinox promotes the compliance with equal opportunity principles in the selection and recruitment activities, refusing and avoiding any favouritism, nepotism, or patronage.

8.2 FORMALISING ANY EMPLOYMENT

Any worker employment is based on a contract, refusing any irregular working activity. Fondinox supports the highest possible co-operation and transparency for newly hired employees, as he/she should be well informed about his/her duties and rights as well as about the activity he/she is going to be liable for.

8.3 EMPLOYEE ASSESSMENT AND PROFESSIONAL CAREER

The company avoids any possibly discrimination against its employees or consultants, supporting any decision based on shared objective criteria.

The company promotes its employee and consultant professional growth through suitable tools and training programmes.

Employee and consultant salaries and wages are updated in compliance with the ethical principles and the regulations in force. They are defined through clear and equal methods and tools, duly informed whoever is concerned.

According to the role and office within the company, the yearly salary can be supplemented by company benefits according to the results reached, as to keep a suitable competitiveness level if compared to the rest of the market.

8.6 DISCRIMINATION AND HARASSMENT

The company is committed to offer its employees and consultants a workplace free of discrimination and harassment. The company is committed to offer its employees and consultants a workplace free of discrimination and harassment.

The company, as forecast by the law, provides for equal employment opportunities for all, independently from race, sex, age, colour, religion, origin, disability, citizenship or any other category protected by the regulations in force. Such a policy applies to employees, candidates and

during any employment step, including hiring, promotion, downgrading, treatment during employment, salary and benefits and end of the employment.

In case an employee complains about any conduct or he/she receives any comment openly violating such a policy, he/she should immediately report what happened to the company General management. In compliance with the company policy of non retaliation, no retaliatory action will be enforced against any employee reporting any discrimination or harassment. The company guarantees that any required action will be enforced to check and solve any complaint and confirm its decision and intention to remove and get rid of similar behaviours on the workplace. Due to similar conducts and severe consequences on the person lodging the complaint and the person accused, the Company seriously considers any possible violation of the present policy and if possible it will do its best to face them with the due confidentiality required. Similarly the Company claims that anybody behaves with confidential diligence in case of supposed violations or breaches.

9 BEHAVIOURAL RULES IN THE RELATIONSHIP WITH THE THIRD PARTIES

9.1. CONDUCT CRITERIA TOWARDS CUSTOMERS

Fondinox considers its customer its main asset.

Thus Fondinox complies with its customer requests providing for quality, transparency, correctness and confidentiality and respect of their privacy. Therefore:

1. Fondinox employees and consultants should keep on improving their operating modes as to offer customers the best quality. They should address the customers courteously and willingly as well as promptly, immediately solving conflicts or anyhow avoiding incorrect conducts and behaviours disrespectful of people.
2. Fondinox employees and consultants should treat any Customer data for any goal admitted by the law and within the limits of the consent granted by the customer.

Before any business transaction with a customer, Fondinox employees and consultants should check that the customer is sound, legally operate according to the requested correctness principles.

It is absolutely forbidden to start and develop business relationships:

1. With subjects who are known to belong or are suspected members of criminal organisations and more in general people who act outside the international legality;
2. With subjects who directly or indirectly hinder the development of human beings as they do not comply with the main human rights as guaranteed by the Italian constitution, by the ILO (International Labour Organization), by the Universal organisation of human rights, by The United Nations Convention on the Rights of the Child.

9.2. CONDUCT CRITERIA TOWARDS CUSTOMERS

The supplier selection and choice criteria are based on the same principles of legality, correctness and transparency.

The selection of the suppliers is also based on objective and impartial criteria in terms of quality, innovating level, cost, added services to the offered services/products. Fondinox board of directors, employees and consultants are not entitled to accept gifts, presents or similar if not based on the standard courtesy practices and of a limited economic value. Any breach of any principles of legality, correctness, transparency, confidentiality and respect of the human dignity is a lawful reason for a lawful interruption of the business relationship with the company. Should the member of the board of directors, employees or consultants gets proposals from a supplier to favour its activity, they should immediately interrupt any business relationship with the supplier and duly inform the board of directors.

In general it is entirely forbidden:

1. To develop and keep contact with subjects who carry out or are suspecting of carrying out illegal activities or anyhow subjects who are not serious and accountable enough to work with the company;
2. To work with subjects who directly or indirectly hinder the development of human beings as they do not comply with the main human rights as guaranteed by the Italian constitution, by the ILO (International Labour Organization), by the Universal organisation of human rights, by The United Nations Convention on the Rights of the Child.
3. To issue purchasing requests which are not backed by a specific Fondinox requirement or which are not authorised according to the granted proxies;
4. To pay consultants and suppliers with no justification for the activity carried out or not in line with the market prices.

9.3 RELATIONSHIPS WITH INTERNATIONAL OPERATORS

Fondinox should guarantee that any commercial activity or any other activity whatsoever carried out with companies at the international level comply with any regulation and standard in force.

However works in the name or on behalf of Fondinox abroad, should enforce the present Code of Conduct, duly taking any difference at the regulation, social, economic and cultural level as well.

9.4 PURCHASE OF “CONFLICT METALS”

Fondinox contribute to combating the trade of the so-called "Conflict metals" (tin, tantalum, tungsten and gold) as these are natural resources extracted in a conflict zone and sold to perpetuate the fighting and contributing to violence and slavery.

Thus Fondinox always asks any tungsten supplier, the only Conflict metal it buys, a quarry origin declaration which should include countries which are not considered critical (such as the Democratic Republic of the Congo - DRC)

9.5 CONDUCT CRITERIA TOWARD THE PUBLIC ADMINISTRATION AND PUBLIC INSTITUTIONS

The relationship with the Public administration, Safety and supervisory authorities and other public institutions (hereinafter Public institutions) should be managed with the due transparency, clarity and compliance with the regulations in force of the principles put forward in the present Code of Conduct and of the internal procedures enforced by Fondinox as to avoid affecting its relationship and image with the Public administration and public institutions and Fondinox as well.

Fondinox employees and whoever at different levels work in the name or on behalf of Fondinox are not entitled to offer gifts, presents, exchanges, cash or in general any utility, even with a limited value as well to employees, consultants, officers of the Public administration and such other public institutions, for whatever goal .

At the same time it is absolutely forbidden to whoever has any relationship with Fondinox to accept promises or utility offer whatsoever by employees, consultants, officers of the Public administration and such other public institutions.

In case of explicit or implicit request, by an officer or an employee of the Public administration, for one of the hereinbefore mentioned benefits, any relationship should be immediately interrupted and the employees should inform the board of directors. In case of a consultant is dealing with the relationship with the Public administration, the same directives, provisions and rules apply for the consultants and his/her employees that Fondinox applies to its employees.

Any negotiation with the Public administration and the Public institutions should be carried out in compliance with the regulations in force, avoiding any practices and/or behaviours affecting their choices and decisions.

Any communication with the Public administration and with the public institutions should be simple, clear and correct, avoiding offensive and inconvenient statements, as well as expressions which can be anyhow deceiving.

Fondinox will do its best as to allow any public contribution and financing which were legally obtained were not use for different goals than what forecast.

9.6 RELATIONSHIPS WITH THE SUPERVISORY BOARDS

Fondinox will entirely and carefully comply with the rules imposed by the national, community and international supervisory boards in compliance with the regulations in force for the company, offering transparency and full co-operation if required.

Fondinox employees and consultants should never deny, hide or delay any information transfer which is possible requested by the supervisory board during any inspection and it should actively co-operate during any investigation procedures.

As to always guarantee the best possible transparency, Fondinox will try to solve any conflict of interests with employees, their relatives and the supervisory boards.

10. WORKER SAFETY AND SECURITY PROTECTION

The company management will provide for people, tools and economic resources to reach the goals in terms of improvement the worker health, safety and security, integral to its activity and strategic commitment to the final company goals.

What is more the management will do its best to:

- When starting a new activity or in the revision of the existing activities, allow safety to stand out;
- Have any employee trained, educated and paying the due attention to the safety activities while being liable in terms of health, safety and security on the workplace;
- Any activity to be carried out in compliance with the prevention regulations in force and in line with the company objectives, as to better plan any activity under safety and security conditions.

The company organisation (managers, supervisors, employees, designers, installers, purchasing department, service workers, etc.) is asked to:

- Actively give its contribution, according to its offices and competences, to reach the physical, mental and social welfare assigned objectives and
- Manage its activities aiming at preventing accidents, incidents, injuries and professional diseases.

11. ENVIRONMENTAL PROTECTION

Fondinox S.p.A. pays its due attention to the environmental problems and it is aware of its strategic role as a company valorisation tool, therefore it does its best to enforce continuous improvement policies of its environmental performances, cutting any negative impact of its activities on the environment where technically possible and economically sustainable .

FONDINOX will be guarantee that its activities will be carried out in compliance with the regulations in force through:

- a. Compliance with limits and restrictions reported in the authorising documents;
- b. Correct and consistent interpretation of the reference regulation framework and its evolution;
- c. Effective enforcement of the Environmental management system in compliance with the regulations UNI EN ISO 14001;
- d. Constant search of the best technological available solutions (BAT) to prevent air, water and soil pollution;
- e. Sustainably manage the natural resources and energy as well, enhancing their use and paying the due attention to the reduction of wastes and to their better rational use;
- f. Study and know the local environment (hydrology, geology, geotechnics, quality of supplied waters, etc.) and its evolution as to correctly analyse its contribution at the environmental impact level;
- g. Promote the adoption of the correct environmental behaviours by workers suppliers and companies operating on site;
- h. Train, educate and make the personnel aware, at any level, to involve all the company human resources;
- i. Set the environmental goals and objectives, to be supplemented to the daily department operating management and the company development programmes as well;
- j. Keep on communicating thanks to a mutual co-operation, with the Institutions, Supervisory boards, representing bodies and by any stakeholder, inside and outside.
- k. Check that anybody within the company is informed about the environmental policy, which should be widespread, understood and enforced.

Any company employee and consultant is asked to take part according to their offices, roles and competences, to the enforcement and improvement of Fondinox environmental management system.

12. DISCIPLINARY SYSTEM

12.1 GENERAL PRINCIPLES

Any infringement or breach objection procedure and sanction imposing will be compliant with the provisions in the regulations in force.

The company employees should comply with provisions in the present Code of Conduct according to what imposed by art. 2102, paragraph 2 of the Italian civil code (obligations which the Code is substantial and integral to), among their contract duties forecast with reference to other receivers.

Fondinox forecasts different sanctions, according to the different potential danger of the single behaviours if compared to the criminal offence committed.

A disciplinary system was enforced, sanctioning any breach to the Code of conduct, from the most severe to the less severe, through a gradual system, which at the same time complies with the proportionality between the committed breach and the applied measure.

According to what hereinbefore specified, the board of director is liable for the disciplinary power according to the procedures and modes forecast in the disciplinary system

Due to the disciplinary value, both the Code of conduct and the Company organisation system procedures, whose breach is sanctioned, are duly spread out within the company.

12.2 SANCTIONS TO BE APPLIED TO THE EMPLOYEES

The company employees should comply with provisions in the present Code of Conduct according to what imposed by art. 2102, paragraph 2 of the Italian civil code (obligations which the Code is substantial and integral to), among their contract duties forecast with reference to other receivers.

Any violation of the law recalled on the adopted Code of conduct can lead to disciplinary measures and to damage compensations, notwithstanding the compliance with procedures in art. 7 of the law 300/1970 (worker by-laws) as well as the metalworker labour contract in force within the company.

A breach to a regulation of a procedure can be considered a criminal offence. A breach to an internal provision can lead to an infringement to the law to criminal sanctions (penalties or jail) or civil sanctions (damage compensation) to the employees or the company itself.

Therefore any employee violating the code of conduct is being disciplinary assessed by the board of directors, in compliance with the national labour contract and the Italian civil code.

However duly considering the independence of the infringement of the Code of conduct or the internal procedures from the violation of the criminal law, the behaviour disciplinary assessment carried out by the employer is not the same at the judge assessment. Therefore Fondinox Spa could impose its employees disciplinary measures such as:

- Verbal warning
- Written warning
- Variable fine
- Service suspension with or without salary
- Dismissal with or without notice

Without waiting for the criminal proceedings or should a criminal proceedings be started or not.

12.3 DISCIPLINE APPLICABLE TO THE RELATIONSHIPS WITH SUPPLIERS AND CONSULTANTS

In the contracts signed between Fondinox and external suppliers/consultants specific provisions are to be supplemented such as the express termination clause forecasting the dismissal of the employes/consultant in case of any behaviour contrary to the principles defined in the present Code of conduct, which Fondinox is inspired by when carrying out his/her business activity, notwithstanding and without prejudice to Fondinox right to ask for damage compensation should the behaviour lead to a damage to the company.

Thus the contract parties are duly and widely informed about the enforced Code of conduct.

12.4 GUARANTOR OF THE CODE OF CONDUCT

The Board of directors and the Board of auditors in case of conflicts are liable for the compliance and enforcement of any principle and provisions in the present Code of conduct.

13 FINAL PROVISIONS

The present Code of conduct is approved by the company Board of directors.

The Code of conduct revision is approved by the Company Board of directors, on the Chairman of the Board of directors proposal and the receivers are promptly informed.

The Code is delivered to the stakeholders inside and outside the company through a suitable communication: direct delivery to the employees and dedicated sections on intranet and on the company website.