PROGETTI EUROPA & GLOBAL S.P.A.

CODE OF ETHICS AND CONDUCT

(This text was approved by the Board of Directors of Progetti Europa & Global S.p.A. on 10 December 2013)
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INTRODUCTION

Progetti Europa & Global S.p.A. (hereinafter "PEG" or the "Company") is an engineering company specialising in the development of turnkey systems for the Oil & Gas industry and providing engineering design and project management services in the field of infrastructure development, on both the domestic and international markets. PEG is aware that all the activities it carries out in pursuit of its mission must be conducted in compliance with the law, according to principles of honesty, transparency, moral integrity, fairness and in good faith, abiding by the rules for protecting competition and, therefore, it believes in the importance of defining and setting out the core principles and values that the Company acknowledges, accepts and shares, as well as the responsibilities it undertakes, both internally and externally.

PEG has decided to adopt this Code of Ethics and Conduct (the “Code”), adapting to the most advanced corporate governance standards, as a tool for defining the core standards and guidelines informing the ethical behaviour of its corporate bodies and their members, as well as its employees, consultants and stakeholders.

The observance of ethical rules of business conduct is a means for furthering the good reputation of PEG on the market and enhancing its competitive advantage, in order to more successfully pursue its mission and attain its objectives.

All the people who operate, in Italy and elsewhere in the world, to ensure the achievement of the Company’s goals and objectives are committed to complying with the rules set out in this Code, making sure that everybody else also abides by them, each one consistently with his or her functions and responsibilities. PEG aims to maintain a relationship of trust with its stakeholders, at all levels, characterised by fairness, collaboration and mutual respect.

PEG attentively oversees compliance with the Code, providing suitable information, prevention and control tools, ensuring transparency in all transactions and conduct, and taking corrective measures, if and when required.

The Code is also a key element of PEG’s control system for the prevention of the offences referred to in the Italian regulation governing the “administrative liability of legal entities descending from the commission of offences”, as set out in Legislative Decree 231/2001, and is an integral part of the so-called “Organisation, Management and Control Model” adopted and introduced by the Company in pursuance of the said regulation.

Under no circumstances will the conviction of acting in the best interests of the Company justify, even in part, any conduct that is in contrast with the principles of this Code.

The Code is brought to the attention of every person or body having business relations with PEG. The Code is binding on all the recipients at all levels of the Company’s organisation.

The Code is published on the Company intranet and website and may be viewed at www.pegitaly.it, to ensure its broadest possible circulation.

The Code was adopted by the Board of Directors of PEG on 10 December 2013 and entered into effect on that date; it also applies to all the subsidiaries of PEG and other companies over which PEG exercises “management and coordination” activities, within the meaning of Italian law, regardless of whether they are based in Italy or elsewhere.

The Code is updated periodically and may be amended or revised by the Board of Directors, also acting on proposals by the Board of Statutory Auditors or Supervisory Body, with a view to adapting it to the evolution of civil awareness and the applicable laws and regulations.
1. GENERAL PRINCIPLES

1.1 Recipients and scope

This Code applies, without exceptions, to:
- the Directors, Auditors and members of the Supervisory Body of PEG;
- the managers, employees and collaborators of PEG;
- the Company’s consultants, business partners and suppliers;
- any other public or private stakeholder who, for any reason, has direct or indirect dealings with the company, on a temporary or permanent basis, or in any case operates in the interest of PEG.

This Code also applies to all the subsidiaries of PEG and other companies over which PEG exercises “management and coordination” activities, within the meaning of Italian law, regardless of whether they are based in Italy or elsewhere, and to all those who interact with or operate in the interest of the said companies.

All the activities of PEG must be carried out in accordance with the principles of fairness and transparency and must comply with the core principles and values set out in this Code.

The above mentioned parties (collectively defined as the “Recipients” of the Code), shall adapt their actions and conduct to the principles, objectives and commitments set out herein, in accordance with the applicable laws.

PEG maintains a relationship of trust and loyalty with each of the Recipients.

The Directors of the Company, when determining and establishing its objectives, shall always be inspired by the principles and values of this Code.

Every action, operation and, generally speaking, any conduct by the employees and collaborators of PEG, with regard to their functions and responsibilities, shall be inspired by the above mentioned principles and values, in the knowledge that compliance therewith is a key part of the quality of their work and professional services.

All employees are expected to thoroughly understand the provisions of this Code, and the general rules governing the duties and tasks associated with their job. Therefore, they must:
- abstain from any conduct that is contrary to the provisions of this Code;
- contact their line manager for further information on or clarification as to how to apply the Code;
- report any possible breaches of the Code;
- collaborate with the Supervisory Body, or with the Company functions responsible for setting specific procedures, in finding any possible breaches of the Code.

All managers must:
- set a good example, through their personal and professional conduct, to the Company employees and collaborators;
- promote respect of the Code and its principles;
- ensure that their subordinates understand that respect of the Code and its principles is a key part of the quality of their work and professional services;
- promptly implement the necessary corrective measures, if and when required by the circumstances, and timeously notify the Supervisory Body to this effect.

Regarding the external stakeholders of PEG, the Recipients, each within one’s own authority and responsibility, are expected to inform all the persons with whom they have dealings or, in any case, with whom they interact, with regard to this Code, and to require its observance and adopt the necessary measures in the case of any breaches, which must be immediately notified to one’s line manager or contact person and to the Supervisory Body.

PEG ensures maximum circulation of this Code among the Recipients.

Lastly, the Company shall provide for communication and training programmes for the Recipients, with a view to furthering knowledge of the content and objectives of the Code.

1.2 Core ethical principles

All the persons who work for and collaborate with PEG shall behave, and ensure that their collaborators behave, according to the principles of honesty, fairness, transparency, impartiality, confidentiality of information, diligence, loyalty, good faith and mutual respect, besides any other principles relating to the context and aim of their mission.
Furthermore, the Recipients of this Code should underpin the performance of their daily work activities with the highest standards of conduct by which the Company itself is inspired, in accordance with the above mentioned principles.

The Company employees, managers and collaborators must ensure that the Code is properly observed by the Recipients and, with regard to the performance of their work activities and dealings with colleagues and third parties, must operate in accordance with the applicable laws, honestly, fairly and loyally, avoiding any conflicts of interest between their work and their personal affairs, and make every effort to ensure health and safety at work and the protection of the environment.

PEG considers it of fundamental importance to promote a business culture within the organisation, by virtue of which all the people who work for the same company are able to recognise, appreciate and maintain an ethically correct line of conduct.

Honesty is the key principle which PEG abides by in its operations, activities, reports and communications, and is a core feature of its corporate governance.

Dealings with all third parties are always based on the principles of fairness, collaboration, loyalty and mutual respect.

PEG undertakes to always observe and abide by the laws and regulations in force in the countries in which it operates, as well as the generally recognised practices.

2. RULES OF BUSINESS CONDUCT

2.1 Business conduct

The business conduct of PEG, with regard to all dealings with third parties, is based on the principles of loyalty, fairness, transparency, efficiency and market opening.

The employees and collaborators of PEG, in their business conduct and in dealings with Government entities, are expected to engage in an ethical conduct, respectful of the laws and regulations of the countries in which the Company operates, based on the observance of the principles set out in this Code.

The Recipients are also expected, with regard to the performance of their business activities, to behave in accordance with the Company’s policies and the applicable laws and regulations, as well as the procedures adopted by the Company.

2.2 Dealings with customers

All dealings with customers are based on the highest possible collaboration and transparency, according to an approach that is advantageous for all the parties involved.

The Recipients are expected to promote maximum impartiality and refuse any form of discrimination in their dealings with customers, also avoiding to make use of elusive or unfair practices. Dealings with customers must always be characterised by politeness and the sharing of objectives, pursuing the highest quality standards, with a view to delivering services capable of attaining maximum customer satisfaction.

PEG, in its dealings with its customers, can guarantee fairness, reliability and transparency in its business negotiations and with regard to its contractual undertakings and commitments. PEG formulates its contracts in accordance with the applicable regulations and Company procedures and abiding by the principles of transparency, impartiality and completeness.

2.3 Dealings with suppliers

The procedures put into place by PEG, with regard to both the selection of its suppliers and the formulation of the terms and conditions for the procurement of goods and services, are based on the principles and parameters of competition, moral and professional ethics, lawfulness, objectiveness, fairness, impartiality, fair prices, quality of the goods and/or services. Furthermore, PEG accurately assesses the available offers, with a view to selecting the best possible competitive advantage for the Company and in accordance with the applicable laws and regulations.

In its dealings with suppliers, PEG avoids engaging in any conduct that may be prejudicial and harmful to the Company, either directly or indirectly, or which can lead to unjustifiably favouring one supplier over others.
In dealing with the suppliers all the parties concerned must be inspired by principles of transparency, fairness and lawfulness, in the conviction that the quality of the supplied goods and services delivered to PEG determines the quality of the goods and services that PEG itself delivers to its clients.

2.4 Gifts, gratuities and other benefits

In its dealings with third parties, in Italy and elsewhere (such as Clients, Suppliers, Public Administration entities, etc), PEG does not allow the offering of gifts, gratuities or benefits of any kind, sort or nature to individuals, as a means for obtaining an unfair advantage of any kind, even of an intangible nature (such as promises of work, promises of financial benefits, offers or the delivery of gifts, recommendations, etc.).

However, gifts, presents or other acts of business courtesy are allowed, provided that they are of small value and, in any case, not such as to jeopardise the integrity and reputation and not influence the independent judgement of the Recipient.

In countries where it is customary to offer gifts to clients or others it shall be possible to do so, to the extent that the gifts are of an appropriate nature and of small value and always in accordance with the applicable regulations.

The Recipient of any gifts or gratuities, except as allowed under PEG practice (in excess of the customary business practices and courtesy) shall promptly inform his or her line manager or contact person and the Supervisory Body.

2.5 Conflict of interest

PEG, acting consistently with the values of honesty and transparency, undertakes to implement all the necessary measures for preventing and avoiding any conflicts of interests.

The Recipients must abstain from engaging in any activities or conduct that could result in a conflict with the interests of and/or the objectives pursued by PEG, or which might interfere with its capacity to take unbiased decisions in the best interests of the Company and in complete accordance with this Code. They must also abstain from deriving personal gain from the disposal of any corporate assets or business opportunities, in connection with the performance of their duties.

In their dealings with third parties, the Recipients shall operate according to the requisite ethical and legal norms, and are explicitly forbidden from engaging in unlawful favouritism, concerted practices, corruption or the solicitation of personal advantages for themselves or for others.

By way of non-exclusive example, the following circumstances could give rise to a conflict of interest:
- accepting a position or work from the Company's clients, suppliers or competitors, either for oneself or a family member;
- sharing an economic or financial risk with the Company's clients, suppliers or competitors, either directly or through a family member;
- accepting money or favours from parties desiring to go into business with PEG;
- using any information obtained in connection with one's work or position in such a way as to create a conflict between one's own and the Company's interests.

If a Recipient enters into a conflict – or potential conflict – of interest with the Company, he or she shall promptly notify his or her line manager or contact person, and the Supervisory Body, and abstain from engaging in any activities in connection therewith.

3. EXTERNAL RELATIONS

3.1 Dealings with Government entities

All dealings with Government entities, in Italy and elsewhere, must comply with the principles of transparency, clarity and fairness and shall be such as not to give rise to misrepresentation, or to partial or misleading interpretations, by the public bodies with which the Company has dealings from time to time and for any reason.

Only the PEG people who have been duly authorised may deal with these entities.

Nobody shall be allowed, directly or indirectly, or through intermediaries, to offer or promise to offer money, gifts or gratuities or other benefits of any kind to the representatives, officials or employees of Government entities, except in the case of gifts of small value and consistently with any customs and provided that they cannot be
understood as aiming at obtaining unlawful favours and benefits. Nor is it permitted to exercise unlawful pressure, or try to establish personal relations of favour, influence, interference with regard to these persons, such as to directly or indirectly influence the outcome of these dealings.

In the case of dealings with Government entities, or participation in public tendering procedures, it shall be necessary to always operate in accordance with the law and fair business practices.

Whomsoever receives an explicit or implicit request for benefits of any kind from the representatives of a Government entity must suspend all dealings with the said entity forthwith and inform his or her line manager and the Supervisory Body.

Furthermore, it is forbidden to use contributions, funding and other grants paid out by the State, by public entities or by the European Union, for purposes other than those for which they have been granted.

3.2 Deals with political parties and political and trade union organisations

PEG shall not make any direct or indirect contributions to political parties, in Italy or elsewhere, or to their representatives or candidates. Each employee and collaboratore acknowledges that any form of involvement in political activities shall be purely personal, in his or her free time, at his or her own expense and in accordance with the applicable regulations.

Furthermore, PEG shall not make contributions to organisations that may give rise to a conflict of interest (such as trade unions, consumer groups, etc.).

3.3 Relations with the mass media

Communication with the mass media by PEG must be complete, transparent and truthful, based on the observance of the applicable laws and internal regulations and the principles of professional integrity.

Nobody can provide information relating to the Company without the authorisation of the competent bodies and without prejudice to the existing regulations on confidentiality.

4. MANAGEMENT OF HUMAN RESOURCES

4.1 Relations with employees

The Company’s human resources are a key feature of its organisation and are, therefore, the principal source of the success of PEG.

PEG offers all its employees the same opportunities, on the basis of merit and in accordance with the principles of equality, without any discrimination whatsoever, and enables everyone to develop their skills, capacities and competencies, promoting professional growth, also through training programmes and refresher courses.

PEG guarantees equal opportunities in its staff selection and recruitment activities, refusing any form of favouritism, nepotism or patronage.

PEG also guarantees, as a means for protecting its employees, the observance of the applicable employment contracts, whether collective, plant-level or individual, and the rules set out in the civil code and the applicable laws and regulations.

The employees of PEG are expected to:

- collaborate with their colleagues and with the managers, providing any information and engaging in any activities that can enable them to operate with the utmost efficiency in the performance of their tasks and the pursuit of the common goals;
- promote an understanding of the Code among all the Company’s formal and informal stakeholders, in connection with the performance of their activities;
- acquire the necessary professional competencies for performing their activities in the best possible way and maintain, for the entire duration of their employment contract, a suitable level of knowledge and expertise, keeping up to date with all the relevant developments and attending any refresher courses or requalification schemes proposed and offered by the Company;
- abstain from gaining any profit or direct or indirect advantage, regardless of whether this harms the Company or not, from their functions and their work;
- observe the instructions and provisions imparted by PEG, as well as all the applicable laws and regulations.
4.2. **Protection of the Company’s assets**

Each Recipient is responsible for ensuring the protection and preservation of any Company assets he or she uses in connection with his or her work.

Each Recipient shall operate with the greatest care and diligence in protecting the Company’s assets, in accordance with the operating procedures put into place by the Company for the purpose of governing their use and with the applicable laws and regulations. The Recipients must also avoid the improper or fraudulent use of the said assets and/or which does not conform to the purposes pursued and which may cause harm or damage or, in any case, contrast with the Company’s interests.

4.3. **Health and safety at work**

PEG adopts all the necessary measures for protecting the mental and physical health and well-being of its employees and collaborators, and for ensuring work conditions that are conducive to the dignity of the individual and safe and healthy work environments, in full accordance with the applicable health and safety at work laws and standards.

PEG undertakes to disseminate and consolidate among its employees and collaborators a culture of health and safety, improving their awareness of the risks and hazards at work and promoting responsible behaviour, while also operating to preserve and maintain the health and safety of the employees, especially by implementing preventive measures.

All the employees and collaborators of PEG are expected to adopt and implement the prevention measures laid down by the Company and to abide by and comply with the health and safety at work requirements, for the prevention of work-related risks.

Last but not least, PEG is strongly committed to environmental protection and the prevention of pollution.

4.4. **Harassment, mobbing or discrimination**

PEG does not tolerate harassment, mobbing and discrimination at work.

An employee or collaborator who believes to be the victim of harassment, mobbing or discrimination for sexual, religious, political, racial or trade union reasons may file a report with the Supervisory Body, which shall then carefully investigate the matter to see whether any provisions of this Code have been violated and send the outcome of this process to the competent function and the President.

4.5. **Abuse of alcohol or drugs**

PEG views carrying out work under the effects of alcohol or drugs as reprehensible, as well as taking these substances during working hours.

4.6. **Smoking ban**

It is strictly forbidden to smoke at the workplace and in all other places open to the public, in places where computer equipment is kept and, in any case, in all places showing the “no smoking” sign.

PEG, in any case, shall take into account the condition of discomfort, on the one hand, of non-smokers and of smokers on the other, setting aside dedicated smoking areas for smokers.

5. **INTERNAL CONTROLS, TRACEABILITY OF TRANSACTIONS AND CORPORATE NOTICES**

5.1 **Internal control system**

PEG has set up an internal control system that contributes to improving the efficiency and effectiveness of the corporate processes and for reducing the risks entailed by corporate transactions. The aim of the Company is to spread a culture of awareness of the importance of a suitable internal control system at all levels of the organisation.

All the Recipients, within their respective remits, are responsible for the proper functioning of the internal control system, as regards the operating areas or work activities for which they are responsible.

5.2. **Traceability of transactions and corporate notices**

PEG aims to circulate information relating to the Company’s accounts with the utmost transparency, reliability and integrity. The financial, accounting and management reports, and all other notices issued by PEG, must be
complete, truthful and accurate. The Company’s notices to its external stakeholders shall comply with the right to information.

All the activities of PEG carried out and performed by the Recipients, with regard to their respective tasks and duties, shall be lawful, authorised, auditable, properly recorded and documented, consistent and congruous, conforming to the applicable rules and regulations and to this Code.

Each Recipient shall be expected to provide his or her utmost collaboration for the proper reporting of all actions and activities related to the Company’s operations and their accurate and prompt recording in the Company’s books. It is absolutely forbidden to engage in any conduct which may jeopardise the transparency and traceability of the financial reporting information.

Every transaction with effects on the Company’s operating, financial and equity situation shall be duly recorded and supported by adequate documentation, with a view to carrying out and performing the necessary and requisite audits, at any time, aimed at verifying the decision-making process and allowing the accurate reconstruction of the transaction and the effortless identification of the various levels of responsibility and breakdown and segregation of the tasks. The support documents relating to the various Company transactions shall be preserved, kept and filed by the Company, amongst its records, accurately and pursuant to the applicable laws and regulations.

The Recipients shall allow all the authorised parties and stakeholders (auditors, independent auditing firm, etc.) to access the Company data and documents and provide information and support as needed. They are also expected to disclose the administrative and financial information only if explicitly authorised by their line manager and/or PEG.

Any Recipients who become aware or are informed of any omissions, falsifications, lack of accuracy or negligence in the handling of the accounts and the support documents are expected to promptly notify their line manager or PEG contact person (except in the case this is not possible for reasons of expediency) and the Supervisory Body.

The shareholders and Directors shall supervise and ensure the proper operation and functioning of the Company’s management and auditing bodies, in accordance with its Articles of Association and the applicable laws and regulations. Finally, PEG promotes transparency and the supply of information, periodically, to the shareholders, in accordance with the applicable laws and regulations, who shall receive accurate and constant information regarding any operation or decision that may have effects or consequences on their investments.

5.3. Anti-money laundering

For PEG ensuring the maximum transparency of its transactions is a key principle and, therefore, the Company has put into place the most expedient tools against money laundering and the receipt of stolen goods. PEG preventively checks all the available information, including information of a financial nature, with the greatest care, on its suppliers, commercial counterparties and business partners and consultants, with a view to determining their good character and the lawfulness of their business operations, before entering into any kind of business relationship with them.

PEG also takes care that the business deals and operations it takes part in do not even potentially involve the risk of promoting the receiving, swapping or use of money or other goods coming from criminal activities.

6. CONFIDENTIALITY

PEG guarantees the confidentiality of the information in its possession and abstains from searching for confidential information through unlawful means.

The PEG Recipients are expected to maintain the requisite confidentiality required by the circumstances on the information or documents they obtain in the course of or in connection with their work activities, without prejudice to the transparency of the activities carried out and the information obligations imposed by the applicable laws and regulations.

The information and data acquired or processed in the course of the performance of their work activities, or in connection with their position, are and remain the property of PEG and cannot be used, notified or disclosed without the prior authorisation of the line manager, in accordance with the applicable Company policies and procedures.
7. PERSONAL DATA PROTECTION

PEG undertakes to protect the personal data of the Recipients and of all other persons interacting with the Company for any reason.

PEG guarantees that all personal data will be processed by the Company in accordance with the rights and fundamental freedoms and dignity of the persons concerned, pursuant to the applicable personal data protection laws and regulations.

The processing of personal data shall be carried out lawfully and accurately and, in any case, only the data that is strictly necessary for certain explicitly stated and lawful purposes shall be collected and recorded. The data shall then be stored for a period of time that does not exceed the amount of time that is strictly required for the purposes for which it was collected.

PEG, acting in accordance with the above mentioned laws and regulations, has adopted and put into place suitable preventive security measures, in order to prevent the risk of destroying or losing the data, unauthorised access to the data and unlawful processing of the data, as well as dedicated procedures for ensuring the protection of the information.

8. BREACHES OF THE CODE AND PENALTIES

The provisions set out in this Code also have a general purpose of preventing any corporate risks and, therefore, should be considered jointly with the so-called “Organisation, Management and Control Model” adopted and introduced by PEG in pursuance of Legislative Decree 231/2001. Any violations to the Code, and to the above mentioned Model, shall constitute a punishable conduct in breach of the fiduciary relationship and of the obligation of due diligence.

8.1 Employees

The failure to comply with and/or breach of the Code by the employees of the Company is tantamount to a violation of the primary duties of the employment relationship and, therefore, a disciplinary offence, and shall lead to the application of the relevant penalties.

The penalties applied are those provided for the applicable laws and regulations and by the relevant collective bargaining. The penalties shall be applied depending on the seriousness of the offence and shall be proportional thereto.

Any breaches shall be looked into and determined by the competent Company function, which shall also launch the requisite disciplinary proceedings, in accordance with the relevant collective labour agreement, applicable Company procedures and the applicable laws and regulations.

8.2 Managers

Observance by the PEG managers of this Code, and the obligation managers are under to ensure compliance with this Code, is a key duty of the managers and an example for all who are hierarchically subject to the managers.

Any violations shall be looked into and determined by the competent Company functions, which shall also also launch the requisite disciplinary proceedings, in accordance with the relevant collective labour agreement, applicable Company procedures and the applicable laws and regulations.

In the case of any breaches by the managers of this Code, or in the event the managers adopt a behaviour that does not conform to the provisions and requirements set out in this Code, or if the managers allow any employees subject to their authority to adopt any behaviour that does not conform to the Code and/or is in violation thereof, shall promptly trigger the application, against those held responsible of the most suitable disciplinary penalties, consistently with the nature of the manager’s employment relationship, as set out in the applicable laws and regulations, the collective labour agreement for Industrial Managers, and any agreements, or other arrangements, entered into with regard to the managers.
8.3 **Directors**

In the case of breaches of this Code by the Directors of the Company, or the adoption, in the performance of their duties and functions, of measures that go against the said Code, the Supervisory Body shall promptly notify the entire Board and the Board of Statutory Auditors, who shall then undertake the necessary measures to be taken in accordance with the applicable laws and regulations.

8.4 **Auditors**

In the case of breaches of this Code by the Auditors of the Company, or the adoption, in the performance of their duties and functions, of measures that go against the said Code, the Supervisory Body shall promptly notify the entire Board of Statutory Auditors and the Board of Directors, who shall then propose to the General Meeting the necessary measures to be taken in accordance with the applicable laws and regulations.

8.5 **Consultants, external collaborators, suppliers and partners**

Any behaviour that is engaged in by the consultants, suppliers, partners, etc., or other parties operating in favour of the said subjects, in breach of this Code, shall be sanctioned in accordance with the relevant provisions set out in the contracts entered into, with the said subjects, which provisions shall be expressly accepted (by the said subjects) and shall be worded in such a manner as to enable the Company to terminate the contract, in connection therewith, or, alternatively, to request the fulfilment of the contract (by the said subjects), without prejudice to the compensation of any damage sustained.

9. **CONTROLS BY THE SUPERVISORY BODIES**

The proper observance and application of this Code shall be guaranteed by the Supervisory Body set up in accordance with the Company’s so-called “Organisation, Management and Control Model”, pursuant to Legislative Decree 231/2001.

10. **REPORTING VIOLATIONS OF THE CODE**

If and when a Recipient becomes aware of any breaches and/or conduct against the principles of this Code he or she must promptly notify the Supervisory Body.

In any case the anonymity of the person making the report shall be guaranteed.

PEG, acting through its Supervisory Body and the competent functions, shall ensure the performance of in-depth checks and verifications regarding the reports received and the application of the penalties applied in the case of confirmed violations.