

The ERG Group

Code of Ethics



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Message from the Chairman

The values contained in the Code of Ethics are identical to those that have always inspired our way of doing business. These values are described below, simply arranged in a structured manner, clearly and transparently stated in a document designed for easy reference, which simultaneously sets forth the ensuing principles of behaviour.

It is our hope that the Code will facilitate the achievement of two important objectives: on one hand, to promote and strengthen the sense of socialisation and belonging, harmonising the behaviour of all parties; on the other, to help confirm and enhance the image of an authoritative, reliable and responsible Group, ensuring the correct foundation for relations with all persons and companies who, for whatsoever reason, come into contact with our Group.

This new version, which was drafted following significant company and organisational changes undertaken between 2008 and 2011, is designed to be a continuation of the aforesaid intentions, aiming to reiterate in a more incisive manner our commitment to adopting the principles and values of ethical and social responsibility and environmental sustainability in the management of all business activities.

This was the spirit behind the revision of this document and, I am certain, is the same with which all of you will once again adopt it.

The Chairman
Edoardo Garrone



1. Introduction

The Code of Ethics is an official document approved by the Board of Directors of ERG SpA summarising the ethical principles that have been derived from a wealth of individual and corporate values consolidated over time, which the ERG Group (hereinafter “ERG”) references in carrying out its business activities.

The conduct of everyone whose work, at various levels of responsibility, contributes to ERG’s overall activities, including consultants and other external collaborators however they may be called, should be guided by these values, which mainly comprise:

- moral integrity, personal honesty and the correctness of internal and external relations;
- safety and the protection of health and hygiene in the workplace;
- transparency and completeness of information as concerns shareholders, the market, the authorities, customers, suppliers and all other stakeholders, namely those categories of individuals, groups or institutions whose interests are directly or indirectly affected by the Group’s activities;
- responsibility toward the community whose economic and social development can be affected, even indirectly, by ERG’s operations;
- respect for and protection of the environment and natural resources;
- respect for fundamental rights and liberties, as well as the dignity of each person, particularly as concerns confidentiality, personal identity and the right to protect personal information;
- respect for employees and commitment to enhancing their professional skills;
- sustainable development of Group operations;

and, more generally, the rejection of any conduct which, even if directed toward achieving a result consistent with the Group’s interests, may include aspects that are not compatible with an organisational and managerial model characterised by full observance of the law, behavioural regulations and internal procedures.

The Code of Ethics, by recommending, promoting or prohibiting specific conduct, including that not expressly controlled by regulations, responds to the need to explicitly share, as broadly as possible, the values that should guide the daily work of all the members of ERG.

ERG consequently pledges to oversee compliance with the Code of Ethics, providing appropriate information, prevention and control tools and, where necessary, suitable corrective actions, also with the intention of complying with the applicable laws, regulations and decisions of the UN and European Union, with particular reference to:

- the principles of the Universal Declaration of Human Rights;
- the fundamental conventions of the International Labour Organisation;
- the principles of the United Nations Global Compact.

The Code of Ethics must be read and applied in conjunction with the rules of conduct already defined by ERG for specific activities or categories of persons, including the:

- Code of Conduct for the directors of Group companies;
- procedure for the dissemination of announcements and information to the public;
- provisions relating to the handling of sensitive and confidential information;
- Code of Conduct for transactions involving financial instruments issued by Group companies and carried out by “relevant persons”;
- procedures for transactions with related parties;
- health, safety and environmental Guidelines as well as the relative procedures in force;
- privacy protection procedures;
- Organisational and Management Model pursuant to Legislative Decree 231/2001 - Regulation governing the administrative responsibility of corporate bodies, companies and associations, including those without legal status;
- Model pursuant to Law 262/2005 – Provisions on the protection of savings and the regulation of financial markets,

which are in accordance with the Code of Ethics and should be referenced for a more in-depth consideration of specific topics.

2. Recipients, field of application and revisions

The Code of Ethics, a tool for guaranteeing the reliable protection of the Group's assets and reputation, which are indispensable to its growth, applies both to employees and, insofar as compatible, to all parties who, for whatsoever reason, contribute to the completion of ERG's business activities (hereinafter "recipients").

All employees have the right and obligation to know the Code, apply it, request explanations in case of doubts on its application, report any inadequacies or if it needs to be revised or updated, as well as timely inform their superiors or the Supervisory Committee of the relative company of any possible violations of the Code, collaborating with the bodies responsible for verifying the same.

All members of Group management are required to apply and ensure application of the Code of Ethics, carrying out all necessary information activities vis-à-vis associates:

- when establishing business objectives and social and environmental responsibility commitments;
- when evaluating projects and investments required for the company's growth;
- when conducting all other operational activities.

All employees, in relation to their specific responsibilities, must:

- inform third parties with regard to the contents of the Code of Ethics and in particular the obligations deriving therefrom;
- ensure that third parties observe the provisions of the Code of Ethics insofar as applicable to their relationship with ERG;
- report to their superiors or the Supervisory Committee any possible violation by third parties of the aforesaid obligation to observe the provisions of the Code of Ethics pertaining to them;
- report in writing to the Supervisory Committee or a superior within the same organisational unit of any violations committed by a superior.

ERG for its part undertakes to:

- encourage the widest possible circulation of the Code of Ethics, including through training and awareness programmes;
- carry out all necessary verifications of any information relative to possible violations of the Code and apply, in case of finding thereof, appropriate sanctions;
- ensure that no one who provides information in good faith on possible violations of the Code of Ethics experiences any form of retaliation and ensure the reporting person's right to remain anonymous.

The Code of Ethics is adopted by the Board of Directors of the parent company ERG S.p.A., which has the power to modify or revise it, and the subsidiaries under its direction or authority; information on the Code is provided to all associated companies and joint ventures and is distributed among all third parties with which ERG maintains relations during its operations.

The Code applies to all countries where ERG operates and all activities performed; in order to ensure the broadest possible distribution of its contents, it is always available in the Human Resources Department of Group companies and is published on the corporate website www.erg.it.

The Supervisory Committee is responsible for verifying observance of the Code of Ethics and will report to the Human Resources Department on the findings of any checks carried out that require the adoption of possible sanctions against employees who have violated the rules, and it will promote activities related to its circulation, training, awareness and revision.

3. Respect and development of people and local communities

People are an indispensable element in the existence, development and success of every business; ERG therefore pays special attention to enhancing, safeguarding and developing the capabilities and skills of all its employees, so as to enable them to express their full potential and professionalism and, consequently, help to achieve the Group's objectives while complying with the social and environmental responsibility commitments defined by management.

ERG offers all persons equal employment opportunities, according to their respective professional characteristics and performance capabilities, without any discrimination, condemning any criminal conduct against the individual and working to adopt the most suitable supervisory measures for this purpose.

Therefore ERG, in compliance with all prevailing laws, regulations and company policies, endeavours to:

- select, hire, remunerate, train and assess people based on criteria of merit, competence and professionalism, without any political, union-related, religious, racial, linguistic or sexual discrimination;
- ensure a working environment in which relations between colleagues are marked by loyalty, correctness, cooperation, mutual respect and trust;
- offer working conditions that are suitable from a health and safety standpoint, as well as respectful of the individual's moral personality, so as to encourage prejudice-free interpersonal relationships;
- oppose any form of intimidation, hostility, isolation, undue interference, conditioning or harassment, whether sexual or of any other kind;
- ensure that, within a framework of reciprocal rights and responsibilities, employees are allowed to express their personalities and are offered reasonable protection of confidentiality within their personal and professional relations;
- intervene in the event of behaviour that does not conform to the aforementioned principles.

For the purpose of implementing the foregoing, ERG endeavours to make its human resource management policies available, via internal communication channels and the relative departments, within the limits of confidentiality established by good corporate management criteria; furthermore, the company has always focused on enhancing the professionalism of the people in the company through training tools and growth and development programmes supported by adequate budgets.

Each department head is required to involve his/her associates in the work being performed and in the attainment of assigned objectives; the latter in turn must participate with a spirit of collaboration and initiative, effectively contributing to the completion of the agreed activities.

With a view to corporate social responsibility and considering this a consolidated value, ERG focuses on the social and economic development of the local communities where it operates, listening to their requests, recording expectations and needs, identifying public and private stakeholders and thus investing resources in enhancing and developing the region. ERG endeavours to contribute to the growth of local organisations and supports the promotion of activities in sports, artistic and cultural and medical and scientific fields, based on a dialogue with the communities of reference and a spirit of proactive collaboration.

4. Business management and the conduct of recipients of the Code of Ethics

The conduct of recipients in their pursuit of objectives and their conclusion of each transaction must be based on principles of honesty, transparency, loyalty, integrity and correctness, in observance of corporate policies and the laws and regulations in force in all countries where ERG operates. The belief that one is acting for the benefit of ERG may not, under any circumstances, justify conduct that is contrary to the principles laid down by the present Code of Ethics. All decisions taken by recipients on behalf of ERG must consider the protection of Group interests.

4.1. Relations with customers

ERG endeavours to base its conduct with customers on the principles of helpfulness, professionalism and courtesy; the Group's objective is the complete satisfaction of both its internal and external customers, while also paying special attention to their complaints and suggestions.

Thus all recipients, according to their individual responsibilities, in their relations with customers must:

- adhere scrupulously to internal procedures;
- act with courtesy and efficiency in accordance with contract provisions, offering exclusively products and services of the highest standard of quality provided by ERG so as to ensure healthy competitive practices;
- provide accurate, complete, clear and truthful information on products and services offered, so as to allow the counterparty to make an informed choice;
- not disseminate communications that might in any way prove to be misleading.

4.2. Relations with suppliers

ERG considers its suppliers a primary source of competitive success; it thus strives to base its relations with suppliers on the same principles of sustainability, integrity and confidentiality and manage these relations with both current and potential suppliers in accordance with principles of legality, transparency, correctness and loyalty.

In line with the aforementioned principles and in managing its purchasing processes, ERG requires that recipients:

- base the objective selection and technical, financial and organisational qualification of potential suppliers on the best interests of the Group;
- anticipate and encourage regular controls on the quality of goods and services purchased;
- correctly manage any cases of non conformity of goods and/or services received in relation to contractual standards and, in general, a lack of compliance with contractual obligations by suppliers;
- require all suppliers to comply with all regulations specifically relevant at the time, with particular reference to the topic of safety and environmental protection.

Individual recipients, while scrupulously adhering to purchasing procedures and processes, managed with loyalty and impartiality in regard to suppliers, and with the goal of ensuring the maximum

competitive advantage for the Group while also guaranteeing the best standard of quality for products offered, must:

- verify that suppliers, potential or current, possess all means, abilities, skills, quality systems and resources necessary to satisfy the needs of the Group and are consistent with its image;
- not arbitrarily exclude from calls for bids or general requests for supplies any potential suppliers that display the appropriate professionalism, efficiency and reliability and possess the necessary requirements;
- demand observance and observe contractual conditions, with particular reference to health, safety and environmental topics;
- avoid using suppliers with whom they have ties of kinship or affinity;
- adopt all possible precautions to avoid using suppliers whose conduct is not in based on the ERG Group's principles, particularly concerning health, safety and the environment;
- clearly and transparently document the evaluation criteria adopted and reasons for the selections made.

In line with the stated principles, ERG periodically reviews its "List of Suppliers", with the goal of optimising it and improving both the cost-effectiveness and efficiency of supplies and supplier compliance with the same principles and criteria for ethical/social and environmental responsibility that guide business activities. In this context, no potential supplier that possesses the necessary requisites must be denied the possibility of competing to offer its products and services.

In order to guarantee maximum transparency, ERG takes steps to ensure:

- the separation of roles between departments requesting the supply and those drawing up the contract, except for those exceptions previously set forth by corporate procedures;
- an adequate traceability of decisions taken;
- the conservation of documents in accordance with legislation in force and internal procedures.

4.3. Use and safeguarding of corporate assets

All recipients are responsible for the use and safeguarding of the tangible and intangible assets supplied by ERG for the completion of their activities and are responsible for diligently protecting them, behaving responsibly and consistently with the procedures in force. In particular, recipients:

- may not perform, during their working hours, any activities that are not related to or consistent with their duties and organisational responsibilities and must use company resources exclusively for purposes connected with and essential to the completion of work;
- must work with the utmost care and in a correct manner, also so as to avoid damage to persons and property and reduce the risk of theft, damage or other external threats to the personnel employed by or present in ERG;
- must avoid, as much as possible, wasting, tampering with or using company resources that could compromise the level of efficiency or accelerate normal deterioration;
- must absolutely avoid (except where stated in specific regulations) the use or transfer of the assets in question on behalf of third parties or to third parties, even temporarily.

4.4. Use of IT resources

ERG considers information systems and IT applications essential elements for achieving its objectives, as these tools are available to recipients to enable them to express their full potential in performing duties and are imperative to the safe, continuous, efficient and controlled functioning of their plants. The company thus invests considerable resources in their development and improvement and the handling and correct communication of information, so as to improve efficiency and effectiveness.

With the goal of ensuring maximum security in information systems and complete protection for internal users and third parties, in compliance with the legislation in force, ERG regularly adopts appropriate control methods and practices, implementing the measures deemed most effective to prevent, or identify and sanction, behaviour that does not comply with its behavioural principles. Since the Group's initiatives in this field are effective only when accompanied by the conscious involvement of user recipients, the latter are required to:

- use the IT and communication resources available to them appropriately;
- learn and comply with policies, guidelines, procedures, manuals, guides and other documents that ERG provides to ensure the proper management and security of IT and communication resources;
- observe all relative laws and regulations;
- maintain the integrity of available IT tools;
- use IT and communication tools in a manner that ensures the confidentiality of the data stored or transmitted using these;
- supervise the exchange of information with third parties and via IT systems so as to ensure this does not constitute any form of responsibility for ERG, save that clearly identifiable, definite and pertinent to Group activities.

4.5. Conflicts of interest

Recipients, even apart from activities performed for ERG, must not behave or operate in such a way that could lead to a conflict of interest and/or be in competition with the Group, or which could interfere with their own capacity to perform their duties impartially and for the benefit of ERG.

Recipients must refrain from taking personal advantage, either directly or through family members (including spouses that are not legally separated, children, parents, cohabiting subjects as well as intermediaries, trust companies or subsidiaries of the aforesaid subjects) and third parties, of business opportunities of which they have become aware during the performance of their duties.

Recipients must thus avoid:

- purchasing (direct and indirect) financial investments or other interests of an economic nature in companies which are customers, suppliers or in competition with ERG, with the exception of shares and financial instruments listed on regulated markets;
- performing activities (both work, or compensated, and non-work related) for companies which are customers, suppliers or in competition with ERG: for employees accepting appointments and/or responsibilities in companies that are not part of the ERG Group, this will necessarily entail

prior disclosure to the employing company insofar as the prolonged execution of such activities may be detrimental to the work performance or the activity may have been obtained or carried out by virtue of professional skills developed in ERG.

The aforementioned transactions with the related parties must be completed in full compliance with legal provisions and applicable regulations, with a guarantee of full transparency, correctness and the adequacy of motivations in accordance with the specific procedure established by ERG.

4.6. Management of gratuities and gifts

The conduct of all recipients of the Code of Ethics in their pursuit of business objectives and their conclusion of each transaction must be based on the principles of honesty, transparency, loyalty, integrity and correctness, in observance of the laws and regulations in force in all countries where ERG operates.

The belief that one is acting for the benefit of ERG may not, under any circumstances, justify conduct that is contrary to the principles laid down by the present Code of Ethics, and general compliance with the Code is of fundamental importance for the successful operation and reputation of the Group. Consultants and whomsoever operates in the name or on behalf of ERG must also uphold this commitment.

ERG, in basing its conduct on strictly upholding the principle of integrity and requiring its employees to do the same, establishes rules fixing the criteria and methods for both donating and receiving gifts and gratuities and endeavours to prosecute with the utmost rigour any corrupt conduct by a recipient of the Code of Ethics as concerns public officials.

Any employee receiving gifts or gratuities that exceed normal courtesy or modest value must immediately inform a superior and/or the Supervisory Committee.

Beyond normal business practices, no form of gratuity, personal offers of money, gifts or benefits (for example promises of favours, recommendations, etc.), acts of courtesy or actions in any way intended or aiming to acquire preferential treatment or real or apparent undue advantages of any nature are permitted. Acts of courtesy in business are allowed as long as they are of modest value and, in any case, do not compromise integrity or reputation or influence the independent judgement of the recipient.

The recipients of the Code of Ethics must not behave in any way that could be judged by an impartial observer as an inappropriate attempt to influence the autonomy, independence and impartiality of Italian or foreign public officials/public service officers. And thus the following are prohibited:

- any gift or preferential treatment for these subjects or their family members, unless such gifts are of a modest value;
- offering these subjects, in any way, employment/or business opportunities that could be personally advantageous;
- provide these subjects acts of courtesy or hospitality that could compromise the integrity of one or both parties;

- perform, as concerns these subjects, any act aimed at persuading them to do or not do any type of action in violation of the system to which they belong.

Even in countries where it is customary to offer gratuities as a sign of courtesy, these must be of an appropriate nature, must not be contrary to legal provisions and must not be such that they may be construed as a request for favours in return.

The rules of the Code of Ethics regarding gratuities, gifts and benefits, in addition to being applicable, with no exception, to directors, managers and employees, must also be observed by all those involved in the achievement of ERG's objectives; shareholders, business partners, customers, suppliers and all parties who, for various reasons, come into contact with the Group and will therefore also play a part in consolidating a corporate image that faithfully reflects the values of transparency, correctness and loyalty.

Recipients may not begin or continue relations with anyone who does not intend to conform to these principles.

5. Use and disclosure of information

ERG considers the following to be of fundamental importance:

- protecting the confidentiality of information and personal data of all stakeholders who come into contact with the Group during its operations;
- distributing correct, complete and truthful information regarding all company information and maintaining due confidentiality with regard to the same when necessary;

are essential to creating and maintaining a relationship based on transparency and trust with its stakeholders and the market.

ERG thus endeavours to fully comply with all relative regulations in force on the handling of personal data, with particular reference to the Privacy Code and the provisions of the Italian Data Protection Commission, has established the relative procedures, which are continually revised, and adopted suitable security measures.

Consequently, when handling information, recipients are required to:

- keep scrupulously and with the utmost confidentiality all information acquired in the course of their work, including know-how acquired by the Group;
- request, for cases established by the Privacy Code (art. 23), permission to handle personal data and use it exclusively for the planned purposes and in compliance with the security measures adopted by the Group;
- comply with the internal procedures specially prepared to avoid the misuse of privileged and confidential information;
- operate in compliance with the principles contained in the Privacy Code and avoid undue handling of personal data and information, particularly sensitive and legal data.
- avoid any and all use of information that could represent any form of violation of laws in force, as well as an affront to the liberty, integrity or dignity of the persons to whom the information refers or from whom it comes, particularly in the case of minors.

Recipients must also:

- avoid the improper or instrumental use of confidential information, nor may they use it for their own advantage and/or for that of their family members, acquaintances or third parties in general;
- protect information, following specially developed security measures in corporate procedures, from access by unauthorised third parties and prevent its dissemination, unless specific authorisation is provided at the time by the person in charge;
- not look for or try to obtain from others information not related to their own sphere of competency;
- classify and organise the information so that the authorised persons may access it easily and obtain a complete picture of said information.

Employees who are not expressly authorised in the manners and according to the terms set forth in Legislative Decree 196/2003 concerning the protection of personal data, are forbidden to handle the personal data of other employees or third parties.

6. Accounting transparency

Accounting documents and the relative records must be kept in full observance of the principle of transparency, intended as the inseparable union of truthfulness, correctness, clarity and completeness of information.

Thus, within their relative areas of responsibility, recipients are required to:

- represent operational items in a complete, transparent, truthful, accurate and timely manner in compliance with the set procedures;
- correctly record all economic and financial transactions, with no omissions;
- keep adequate documentation of every operation and transaction so as to facilitate the verification and/or reconstruction of the decisional and authorisation process, which must take place on the appropriate levels of responsibility;
- archive such accounting and supporting documentation in a logically organised manner, so as to make it easy to retrieve, verify and understand;
- enable and provide support to the competent bodies in performing controls aimed at confirming the characteristics of and motives for transactions;
- provide auditors and other internal and external control bodies with the requested information in a truthful and complete manner.

Any ERG employees who become directly aware of omissions, falsifications or negligence as regards the accounting records or supporting documentation are required to report such facts to the Chief Executive Officer and/or General Manager of the company involved, the Administrative Director and/or Reporting Officer responsible for drafting corporate accounting documents pursuant to Law 262/2005 (hereinafter "Reporting Officer") and the Supervisory Committee.

7. Health, safety and environmental protection

ERG believes that the complete compatibility of its activities with the health and safety of workers, the region, natural resources and the surrounding environment is an essential condition both for the acceptability of its plants and its operational activities, as well as the achievement of its growth objectives.

ERG thus constantly works to ensure that the business operations of all Group companies are carried out with full respect for the health and safety of its employees and third parties, as well as the environment, intended in the broadest sense, carefully considering these factors beginning with the preparation of annual and long-term operational budgets and investments and encouraging the adoption of environmentally-friendly and energy efficient technologies.

As a socially responsible business, which also counts on the active contribution of all recipients, ERG aims to:

- place safety, the protection of the health of individuals and respect for the environment and natural resources at the top of its list of priorities, developing a continuing, sincere and constructive dialogue on these topics with its stakeholders;
- comply with the legislation in force, eventually supplementing this with its own internal regulations where necessary and/or appropriate, regardless of where activities are carried out and at what level of responsibility;
- encourage individuals to develop a culture of safety through training, information, dialogue and a responsible and continual commitment where the leadership of the management aims for excellence;
- favour, in selecting its partners, subjects who operate according to the same principles;
- promote and implement all reasonable actions designed to minimise the risks and remove the causes that can jeopardise the safety and health of all those persons located in the vicinity of its operational units;
- ensure constant attention and commitment to improving its performance in the environmental field, monitoring and reducing energy use, minimising waste production, complying with the legal limits for atmospheric, water and ground emissions, responsibly and carefully using natural resources and protecting local ecosystems and biodiversity;
- assess the environmental and social impacts prior to undertaking new activities or introducing modifications and innovations into processes and products;
- establish a dialogue and constructive collaboration, marked by the utmost transparency and trust, with institutions and all stakeholders with the goal of developing its activities while respecting local communities;
- maintain elevated levels of safety and environmental protection by implementing management systems that are developed, periodically verified and certified according to internationally recognised standards and introducing means and procedures for management and intervention, based on a careful analysis and evaluation of risks, designed to deal with possible emergencies;
- continuously strive to enhance information, awareness and training aiming to strengthen health, safety and environmental protection as a shared asset throughout all levels of the company.

ERG is aware that the achievement of the set objectives depends on the active contribution of all subjects involved in various ways and thus requires in particular that recipients of the Code of Ethics do their best to create a work environment focused on health and safety issues, banning smoking in all indoor work areas and prohibiting working under the effects of alcohol or drugs.

Finally, as confirmation of the great importance ERG places on health, safety and environmental protection, the evaluation of each employee's individual performance takes into account whether or not their conduct is in line with company policies, and particularly those referred to above.

8. External relations

ERG believes, even in its relations with third parties with whom it has no contractual relationship, its main point of reference should be to comply with all the principles and values contained in the Code of Ethics, with particular reference to gifts, acts of courtesy and the behavioural principles stated in section 4.

Relations with public institutions and the safeguarding of the ERG Group's interests vis-à-vis the same must be managed by the responsible corporate departments or those delegated for such purpose, whose conduct must be based on completeness, transparency, clarity and correctness so as not to lead such subjects to biased, falsified or misleading interpretations; whenever the Group decides to make use of third-party consultants or representatives these must conform their behaviour to the provisions contained in the Code of Ethics.

ERG does not make any form of direct or indirect contribution to political or union-based parties, movements, committees or organisations, or to their representatives or candidates, unless they are required to do so by specific laws currently in force; employees must likewise not make or promise donations charged to in the interests of the Group.

Relations with the press and media, so as to ensure uniformity in communications, are overseen exclusively by the assigned corporate departments, which perform a service role on the basis of guidelines supplied by top management, as regards general policy and the Group image, and by the operational departments for specific topics.

All recipients must collaborate with the assigned corporate departments in managing relations with the press and media in order to ensure that information communicated is truthful, accurate and transparent; in turn the latter must not:

- supply or attempt to supply information that has not been agreed upon or approved at the required level of responsibility with the directly involved or competent departments;
- influence professional activities by offering or promising payments, gifts or other advantages.

Employees called upon to provide or explain outside the group information concerning the goals, activities, results and viewpoints of the ERG Group, must obtain prior authorisation from the top management of their respective organisational unit as regards the contents and opinions to be communicated and work in agreement with the corporate departments responsible for managing mass media relations.

ERG undertakes to periodically publish a clear, truthful and correct document, called the Sustainability Report, drafted in compliance with nationally and internationally recognised standards, which serves to provide information on actions undertaken and results achieved by the ERG Group with regard to economic/financial objectives and social and environmental responsibility as defined in the Code of Ethics.

9. Competition

ERG recognises that correct and fair competition is an essential condition for the development of business operations and is committed to fully respecting the standards that regulate it.

The Group fully and scrupulously observes antitrust regulations and those established by market regulatory authorities, neither denying, hiding nor delaying any information requested by the bodies responsible for their application and actively collaborating during preliminary operations.

ERG strictly prohibits managers, executives, employees and recipients of the Code of Ethics from implementing any practice (e.g. the creation of files, market division agreements, voluntary restraint agreements on production or sales, conditional agreements, etc.) that restricts competition or can illicitly disturb the market, even if the purpose of the practice is not thus but could be judged as such by an impartial third party.

Recipients are equally responsible for strictly observing regulations on competition and avoiding any contact with competitors that may be in possession of sensitive business information such as prices, volumes, etc. and, if anyone should find themselves subject to conduct by third parties that violates antitrust regulations, they should immediately inform their managers and the Supervisory Committee of their company.

10. System of sanctions

Compliance with the Code of Ethics should not be based merely on an obligation imposed by ERG but on the shared fundamental values set forth, in particular as concerns precise and punctual compliance with all legislation by all employees in their work activities.

The observance of the standards of the Code should be considered an essential part of the duties of any position and for all legal purposes assumed by recipients in regard to the company and, as concerns employees in particular, a fundamental part of the contractual obligations assumed pursuant to and in accordance with articles 2104 and 2105 of the Civil Code and the current National Collective Labour Agreement (C.C.N.L.); any violation of legislation or the principles set out in the Code of Ethics must result in the application of sanctions as concerns recipients as established in the same legislation or by special laws including, for particularly severe violations, measures resulting in the termination of employment.

ERG has the right/responsibility to oversee compliance with the Code of Ethics, taking all prevention and control measures deemed necessary and appropriate for the aforesaid purpose; in the event of detected violations, ERG intervenes applying the disciplinary measures established by the C.C.N.L.

The present version of the Code of Ethics was adopted with the resolution of the Board of Directors of ERG S.p.A. on 10 November 2011 and is effective immediately.

Genoa, 10 November 2011

ERG S.p.A.

Torre WTC
via De Marini, 1
16149 Genoa
Phone +39 01024011
Fax +39 0102401585
www.erg.it

Registered Office:
via De Marini, 1
16149 Genoa

Share Capital Euro 15,032,000 fully paid.
R.E.A. Genoa n. 354265
Company Register Genoa and
Fiscal Code 94040720107
VAT 10122410151

