



CODE OF CONDUCT

BREDA ENERGIA S.p.A.

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1. PREMISE

“Breda Energia S.p.A.” (hereinafter referred to as Breda Energia), in defining those set of values the company aspires to in achieving its goals clearly and transparently, has drawn up this code of conduct that must be observed in order for it to operate properly, be reliable and maintain its image and reputation.

The regulations contained herein require that all laws be respected and that company representatives and those working, for whatever reason, for the company, even on a temporary basis, adopt an ethically correct and fair approach to business.

This also bearing in mind the principles contained in Decree Law No 231 of 8 June 2001, that introduced a new form of company liability, similar to criminal liability, into our legal system if crimes are committed in the company's interest or to its advantage.

Said decree not only lays down particularly strict sanctions for those companies found to be at fault but also a code of conduct that, introduced within an effective organisational, management and control model, protects companies.

Therefore, Breda Energia's board of directors thought it best to draw up its own organisational, management and control model by revisiting its internal organisational processes, starting from the more exposed areas, and identifying a surveillance body to control and monitor, as well as adopt this code of conduct, whose observance is to be considered an integral part of the contract obligations assumed by all company representatives.

This code of conduct is proposed as reference model for all those working for Breda Energia, whose conduct must be in line with the principles of loyalty and honesty already shared by the company.

Therefore, Breda Energia shall make sure all its employees and collaborators are informed as regards the regulations in force, this code of conduct and therefore the conduct they should adopt.

Breda Energia shall not initiate or pursue any relationship with individuals that do not intend to abide by said principles and code of conduct.



2. MISSION AND ETHICAL VISION

Breda Energia's main objective is that of creating value for shareholders, in addition to customer satisfaction and the professional development of collaborators.

Company strategies and management processes are based on achieving these objectives.

Breda Energia intends pursuing these goals by finding the best reconciliation of the interests involved, in accordance with all the provisions of law and principles of honesty, impartiality, reliability, loyalty, fairness, transparency and good faith.

Moreover, Breda Energia hopes to maintain and develop its relationship of trust with its stakeholders, that is, with those categories of individuals, groups or institutions whose contribution is required to achieve its mission or however have an interest in its pursuit.

Those investing in Breda Energia related activities are stakeholders: firstly shareholders but also collaborators, customers, suppliers and business partners.

Moreover, in the wider sense all those individuals or groups, as well as organisations and institutions that represent them, whose interests are influenced by the direct and indirect effects of Breda Energia's activities are stakeholders: local and national communities in which Breda Energia works, environmental associations, future generations etc. fall within this category.

Unethical conduct in business would compromise the relationship of trust between Breda Energia and its stakeholders.

Individuals or organisations that try to reap the rewards of third party collaborations, exploiting positions of power are unethical and favour hostility towards the company.



3. GENERAL PRINCIPLES AND CODES OF CONDUCT

In carrying out their professional activities, Breda Energia's employees and collaborators shall respect all those laws in force in the Country in which the Company works, as well as this code of conduct and internal regulations.

That is, Breda Energia employees and collaborators shall not adopt, contribute or give rise to conduct prohibited by the law and in particular such to amount to those crimes set out in articles from 25 to 25-sexies of Decree Law No 231 of 8 June 2001 as well as Law No 146 of 16 March 2006.

Pursuit of Breda Energia's interest does in no way justify dishonest conduct.

Impartiality

Breda Energia shall avoid any form of discrimination based on the interlocutor's age, sex, sexuality, state of health, race, nationality, political opinions and religious beliefs when reaching those decisions influencing stakeholder relationships (choice of customers, relationships with shareholders, staff management or work organisation, selection and management of suppliers, relationships with the surrounding communities and institutions that represent it).

In particular, supplier relationship related buying processes shall not only be characterised by maximum competitive advantage for Breda Energia, but also equal opportunities for all other suppliers, loyalty and impartiality.

Reliability

Breda Energia activities aim to both satisfy and safeguard customers listening to requests that may help improve product and service quality.

That is why Breda Energia's research, development and marketing activities aim to achieve high quality standards for its products and services.

Work contracts and assignments must be carried out in accordance with that agreed by the parties.



Breda Energia undertakes not to take advantage of its counterparty's ignorance or incapacity.

Breda Energia intends safeguarding the value of fair competition abstaining from collusive and predatory behaviour and abuse of power.

Loyalty and honesty

In carrying out any activity situations where those involved in the transaction are, or may appear to be, in conflict of interest must be avoided.

By this we mean both collaborators pursuing a different interest to the company mission and stakeholder interests or taking "personal" advantage of the company's business opportunity and customer, supplier or public institution representatives acting in contrast with the fiduciary duties related to their position.

By way of example, the following constitute conflicts of interest:

- evident or hidden Breda Energia employee or collaborator interest in supplier, customer or rival activities;
- exploiting one's position to achieve interests in contrast with those of the company;
- using information acquired in carrying one's working activities to one's advantage or that of third parties and, however, in contrast with the company's interests;
- carrying out any activities (work, services) for customers, suppliers, the competition or third parties in contrast with the company's interests.

Transparency and confidentiality

Breda Energia employees and collaborators must provide complete, transparent, comprehensible and accurate information so that, in establishing relationships with the company, stakeholders are able to reach independent decisions aware of the interests involved, alternatives and relevant consequences.

All transactions and operations carried out must be recorded appropriately so that the decision, authorisation and completion process may be verified.



There must be sufficient documentary evidence to verify the characteristics and reasons for each operation, at any time, and to identify who was responsible for its authorisation, completion, recording and control.

Breda Energia communications to its stakeholders are based on respect of the right of information.

Divulging false or tendentious news or comments is not permitted.

Communication activities shall respect professional conduct related laws, regulations and practices and shall be carried out clearly, transparently and promptly safeguarding, amongst other things, price sensitive information and industrial secrets.

Breda Energia guarantees that all information in its possession shall remain confidential and undertakes to refrain from looking for confidential data, unless explicitly authorised and, however, always in accordance with the legal regulations in force.

Specific policies and procedures for protecting information are applied and constantly updated for this purpose.

Moreover, Breda Energia employees and collaborators shall not use confidential information for purposes unrelated to their activities.

Centrality of people and industrial safety

Breda Energia guarantees the physical and mental integrity of its staff and collaborators, providing working conditions that respect an individual's dignity and safe and healthy working environments and making sure its Partners and suppliers guarantee the same working conditions as those of its employees.

Personnel to be employed are assessed comparing candidate profiles to company needs and expectations, guaranteeing equal opportunities to all subjects involved.

Information requested from candidates is strictly linked to those aspects set out in the professional and psycho-attitudinal profile, respecting the privacy and opinions of the candidates themselves.

On establishing working relationships all Breda Energia employees and collaborators receive accurate information on:



- the characteristics of the functions and duties they will be called to carry out;
- those regulations and payments governed by the national collective labour contract;
- those standards and procedures to be adopted to avoid possible health risks associated with the job.

Said information is presented to employees and collaborators in such a way that job acceptance is based on their understanding thereof.

Breda Energia shall avoid any form of discrimination towards its employees and collaborators.

Decisions taken in staff management and development processes as well as during the selection phase are based on correspondence between the expected profiles and those actually possessed by employees (for example in the event of promotion or transfers) and/or merit (for example when setting result based incentives).

Access to roles and posts is also based on competencies and skills.

Moreover, compatibly with overall working efficiency, flexible working practices that facilitate the management of maternity and in general childcare are favoured.

Employee and collaborator appraisals are carried out involving managers, human resources and, if possible, those subjects that have come into contact with the appraisee.

Breda Energia undertakes to spread and consolidate a culture of safety in the workplace, developing an awareness of the risks and promoting responsible behaviour on the part of all employees, collaborators and those external companies it may avail of.

Moreover, Breda Energia shall work to safeguard the health and safety of its workers as well as the interests of its stakeholders especially with preventive action.

Therefore, it shall carry out technical and organisational interventions, including introducing an integrated risk and safety management system, constantly analysing the risk and critical nature of those processes and resources to be protected, adopting the best technologies, controlling and updating working methods and providing training and means of communication.

In promoting respect for the human person and life, Breda Energia intends preventing any employee or collaborator conduct that favours, even indirectly, terrorism and underage prostitution and pornography.

Therefore, it urges its employees and collaborators to avoid any contact and commercial exchange with subjects that intend committing crimes of terrorism or that the competent



national and international Authorities have indicated as suspected supporters or financiers of national or international terrorist organisations.

Moreover, Breda Energia forbids its employees and collaborators from using the computer equipment put at its disposal to distribute, divulge, circulate or even store pornographic or paedo-pornographic material, even of a virtual nature.

Protecting the environment

Breda Energia is aware of the influence, even indirect, its activities may have on the community's conditions, economic and social development and general well-being, as well as the importance of the social acceptance of the community in which it works.

Therefore, Breda Energia intends conducting its investments in an environmentally sustainable way, respecting the local and national community and supporting initiatives of a cultural and social value in order to improve its reputation and social acceptance.

In fact, the environment is a primary asset that Breda Energia undertakes to safeguard; therefore, it programs its activities in such a way as to find a balance between economic initiatives and indispensable environmental needs, bearing in mind the rights of future generations.

Therefore, Breda Energia undertakes to improve the impact its activities have on the environment and on the landscape, as well as prevent risks for the population and environment not only in accordance with the laws in force but also bearing in mind the development of scientific research and better experience in merit.

Conduct in relationships with public administrations

Only the appropriate company bodies and delegated external collaborators may take on commitments with Public Administrations and Public Institutions.

It requires respect and strict observance of the provisions of law and applicable regulations so as not to compromise Breda Energia's integrity and reputation in any way.

Documents relating to contacts with Public Administrations must be collected and kept appropriately so that the characteristics and reasons for said operations may be verified at any time.



It is forbidden to offer or accept any object, service or favour of value to obtain preferential treatment in relationships with the Public Administration.

In particular, it is forbidden to offer money or gifts to public officials and public service representatives or managers, officials or employees in general of the Public Administration or others Public Institutions or their relatives, both in Italy and abroad, unless of little value.

It is possible to offer gifts to customers or others in those Countries where it is customary to do so provided said gifts are of an appropriate nature and of little value, however always in accordance with the law.

Provided that they cannot be interpreted as a bribe.

In other words, acts of commercial courtesy, such as gifts or forms of hospitality, or any other form of benefit (even under the form of generosity), are only allowed if of little value and such not to compromise the integrity and reputation of the parties involved and not be interpreted, by a third party and impartial observer, as aimed at obtaining advantages and favours improperly.

In any case said acts must always be authorised and appropriately documented.

Breda Energia staff in charge of negotiations, requests or relationships with Public Administrations shall not try to influence the counterpart's decisions inappropriately, including those of officials that make decisions on behalf of Public Administrations.

Employees that are proposed, directly or indirectly, benefits from public officials, public service representatives or employees in general of the Public Administration or other Public Institutions, must report it immediately to the Supervisory Body, if employed, or their company representative, if a third party.

In the case of tenders for contract with Public Administrations, operations must be in accordance with the law and appropriate business practice.

These rules also apply to those subjects representing Breda Energia in its relationships with Public Administrations.

Breda Energia shall not be represented by consultants or third parties in its relationships with Public Administrations that may result in a conflict of interest.

In the case of business negotiations, requests or relationships with Public Administrations the following is not allowed:

- examining or proposing job or business opportunities that could benefit Public Administration employees on a personal level;
- offering or providing gifts in any way;



- requesting or obtaining confidential information that could compromise the integrity or reputation of both parties.

As regards relationships with political parties, their representatives and candidates, and their financing, Breda Energia respects the laws in force.



4. DISCIPLINARY SYSTEM AND SANCTIONS

This code of conduct shall be sent to all company representatives (directors, employees and collaborators), without exception, and all those that, directly or indirectly, on a regular or temporary basis, establish relationships with Breda Energia and work to achieve its objectives.

All company representatives must respect this code of conduct, as Breda Energia believes it to be of fundamental importance in pursuing an ethically responsible production model.

All Breda Energia employees and collaborators must:

- know the regulations,
- abstain from contrasting conduct,
- turn to their Bosses or the competent Supervisory Body for further clarification or to report any information,
- work with the structures assigned to verify breaches and not to hide the existence of a code of conduct from counterparts.

In business relationships, counterparts must be informed of the existence of this code of conduct and respect it.

Observance of the regulations set out herein must be considered an essential part of an employee's contract obligations in accordance with and to all intents and purposes of article 2104 of the Civil Code.

Breaches of the regulations set out herein may constitute non-fulfilment of the primary obligations of working relationships or a disciplinary offence, in accordance with the procedures set out in article 7 of the workers' charter and any applicable special regulations, with the relative legal consequences, even as regards retaining the working relationship and may result in compensation for those damages suffered.

Observance of the code must also be considered an essential part of the contract obligations assumed by collaborators and subjects having business relationships with Breda Energia.

Breaches of the regulations set out herein may constitute non-fulfilment of the contract obligations, with the relative legal consequences, even as regards termination of the contract or assignment and may result in compensation for those damages suffered.



Breda Energia undertakes to set out and impose sanctions proportionate to the respective breaches of the code of conduct and provisions governing working relationships in a coherent, impartial and uniform way.

Notwithstanding possible criminal proceedings in the event that said conduct constitutes a crime, in accordance with the principles of timeliness and immediacy of the disciplinary sanction.

Moreover, Breda Energia undertakes to study and update this code of conduct so as to adapt it to the changes in civil sensitivity issues and regulations of importance to the code itself.

Breda Energia's management must observe this code of conduct in proposing and carrying out projects, company activities and investments and members of the board of directors must follow its principles in setting company goals.

In fact those holding positions of responsibility within Breda Energia (so called top management) must set an example for their employees and collaborators, encouraging them to observe this code and favouring respect of the regulations.

Moreover, they must report to the competent Supervisory Organism all useful information as regards failings in controls, suspicious conduct etc. and modify control systems on the Supervisory Body's request.

Breda Energia shall provide appropriate communication channels for subjects involved to report any information as to the application and breaches hereof.

Alternatively, all subjects involved may report any breach hereof in writing to the competent Supervisory Body that shall:

- analyse the report, questioning the person that has reported the breach or person responsible for the suspected breach;
- act in such a way as to protect whistleblowers against any form of reprisal, intended as act that may even appear as a form of discrimination or penalisation;
- guarantee the identity of whistleblowers is kept confidential, notwithstanding those obligations set out in the law;
- in the event of a proven breach of the code of conduct, report the incident and possible recommendations deemed necessary to the management and functions involved, depending on the severity of the breach.



The competent bodies shall define those measures to be adopted according to the regulations in force and disciplinary system adopted by the company, see to their enforcement and report the outcome to the Supervisory Body.

The Supervisory Body is responsible for informing those company subjects in charge of imposing sanctions of the breaches committed, even proposing appropriate disciplinary measures be adopted.



5. FINAL PROVISIONS

This code of conduct has been approved by Breda Energia's board of directors.

Any violation or integration hereto shall be approved by the board of directors and divulged immediately to recipients.