

CODE OF ETHICS

CARLO GAVAZZI IMPIANTI S.p.A.

TABLE OF CONTENTS

0.0 INTRODUCTION

1.0 CODE OF ETHICS RECIPIENTS AND STRUCTURE

2.0 GENERAL PRINCIPLES OF ETHICS

- 2.1 Liability and compliance with laws
- 2.2 Correctness and Conflict of Interests
- 2.3 Impartiality
- 2.4 Honesty
- 2.5 Integrity
- 2.6 Transparency
- 2.7 Efficiency
- 2.8 Protection of Privacy
- 2.9 Value of human resources
- 2.10 Protection of the Environment
- 2.11 Relations with Local Authorities and Public Institutions
- 2.12 Contributions and sponsorship
- 2.13 Repudiation of all forms of terrorism
- 2.14 Protection of the rights of the individual
- 2.15 Protection of Occupational Health and Safety
 - 2.15.1 Protection of Security
- 2.16 Protection of transparency in business transactions (anti-money laundering)
- 2.17 Protection of industrial and intellectual property rights
- 2.18 Cooperation with the Authorities in the event of investigations
- 2.19 Proper use of Information Systems
- 2.20 Dealings with the private sector
- 2.21 Protection of share capital and creditors
- 2.22 Relations with Shareholders and the Market
- 2.23 Quality of Services

3.0 STANDARDS OF CONDUCT

- 3.1 Principles and standards of conduct for members of corporate bodies
- 3.2 Principles and standards of conduct for Staff and for parties acting for the benefit of Carlo Gavazzi Impianti S.p.A.
 - 3.2.1 Conflict of interests
 - 3.2.2 Rejection of all forms of active and passive bribery
 - 3.2.3 Relations with Vendors, Outsourced Providers (Sub-contracting firms; Service providers), Contractors and contractual Third parties
 - 3.2.4 Confidentiality
 - 3.2.5 Care in the use of the corporate assets
 - 3.2.6 Financial Statements and other Corporate Records
 - 3.2.7 Occupational Health and Safety
 - 3.2.8 Anti-money laundering
 - 3.2.9 Use of Information Systems
 - 3.2.10 Respect for the environment
 - 3.2.11 Financial reporting control and transparency
 - 3.2.12 Protection of share capital and creditors
 - 3.2.13 Relations with Shareholders and the Market
 - 3.2.14 Tax and Customs
- 3.3 Principles and standards of conduct for Third-Party Recipients

4.0 DISCLOSURE AND DISTRIBUTION OF THE CODE OF ETHICS

- 4.1 Duties of the Supervisory Board
- 4.2 Breaches of the Code of Ethics and relevant penalties.
- 4.3 Reporting of any breaches of the Code of Ethics

0.0 INTRODUCTION

Carlo Gavazzi Impianti SpA (hereinafter also "CGI" or "Company") is an undertaking whose corporate object consists in the study, design engineering and building, also turnkey, of power generation and distribution plants. Carlo Gavazzi Impianti is an international contractor with decades of experience in the implementation of **EPC** (Engineering, Procurement and Construction) projects for:

- i. "Turnkey" plants for power generation from renewable sources (biomass, solar, etc.) and traditional fuels;
- ii. Power stations for the transmission, distribution and/or transformation of electricity;
- iii. Electrical, instrumentation and control systems for industrial processes such as: power generation, oil and gas extraction and processing and raw materials processing;
- iv. Electro-mechanical systems and weak power (MEP) for large-scale infrastructures and works, such as, hospitals, sports centres, subways/ railways and exhibition centres;
- v. Decommissioning (dismantling) of nuclear power stations.

It is the Company's conviction that ethics in conducting corporate operations are an essential condition for corporate success and for achieving corporate goals by all those working for the Company, by adopting principles of loyalty, resoluteness, honesty, competence and transparency, in full compliance with laws and regulations in force and for safeguarding the reputation of the Company.

To this end, CGI has decided to adopt a corporate Code of Ethics (the "**Code of Ethics**" or "**Code**") which, in line with the standards of conduct embracing loyalty and honesty, already shared by the Company, has the objective of regulating, through standards of conduct, corporate operations and activities, establishing the general standards with which the entire corporate structure is required to comply.

1.0 CODE OF ETHICS RECIPIENTS AND STRUCTURE

This Code is binding on all directors, statutory auditors and parties appointed to audit the Company (hereinafter referred to as "Directors", "Statutory Auditors" and "Auditor"), its employees, including managers (hereinafter referred to collectively as "Staff"), without exception, as well as all those who, although external to the Company, operate, directly or indirectly (e.g. attorneys-in-fact, independent contractors of any kind, consultants, vendors, contractors, outsourced providers (sub-contracting firms; service providers) and business partners, hereinafter referred to as "Third-Party Recipients") (all parties listed under this paragraph shall collectively be referred to hereinafter as "Recipients" or, singly, as "Recipient").

All Recipients, for matters falling within their responsibilities, are, therefore, required to comply with the principles under the Code of Ethics. Specifically, compliance with the standards under the Code is considered an essential part of contractual obligations of Company employees, pursuant to and for the purposes of the provisions of Article 2104 *et seq.* of the Italian civil code.

Breach of the standards under the Code of Ethics damages the relationship of trust established with the Company and may lead to disciplinary actions and damages, without prejudice, for employees, to the procedures under article 7 of Law no. 300 of 20 May 1970 (the so-called Workers' Statute) and under National Collective Bargaining Agreements and any corporate policies adopted by CGI.

This Code consists of **four Sections**:

- i) this Section lists the Recipients of the Code;
- ii) the second lists the general Principles of Ethics identifying the reference values in respect of corporate operations;
- iii) the third indicates the standards of conduct established for Recipients;
- iv) the fourth establishes the policy for disclosure, training and implementation of the Code of Ethics and relevant monitoring and control.

By resolution of the Board of Directors, the Code of Ethics may be amended and supplemented, also based on the recommendations and indications of the Supervisory Board (or SB)

2.0 GENERAL PRINCIPLES OF ETHICS

2.1 Liability and compliance with laws

CGI fully complies with laws, regulations and, in general, legislative provisions in force in Italy and in all countries where it operates, or with which it has dealings. In no case, it is permitted to pursue or obtain a benefit in the interest of the Company in breach of laws or for the Company to abuse its position.

Compliance with the principle of legality also includes, among other things, the payment of taxes and customs duties due, compliance with competition and antitrust legislation, the firm prohibition of corruption and money laundering, the application of the best available technology, obtaining the necessary official authorizations, respecting the export control law and respecting the legal rights of third parties.

2.2 Correctness and conflict of interests

Recipients are required to act correctly in order to prevent situations of conflict of interests arising, in other words, situations in which the pursuit of their own interests is in contrast with that of the Company. In addition, situations shall be avoided, whereby an employee, director or other Recipient may derive an undue benefit and/or gain from opportunities encountered during and due to the performance of such employee's duties.

2.3 Impartiality

CGI rejects and repudiates any form of discrimination based on gender, nationality, religion, personal and political beliefs, age and the health and economic status of its counterparties, including its vendors.

2.4 Honesty

Recipients are required to be aware of the ethical significance of their actions and must not pursue personal or corporate gain in breach of laws in force and the standards under this Code.

2.5 Integrity

CGI neither approves nor justifies any act of violence or threat intended to induce behaviour contrary to prevailing legislation, including contrary to conduct under the Code of Ethics.

2.6 Transparency

The principle of transparency is based on the truthfulness, accuracy and completeness of information both outside and inside the Company. In compliance with the principle of transparency, every operation and transaction are required to be correctly recorded, authorised, verifiable, lawful, consistent and congruous. All acts and transactions are required to be adequately recorded, and inspection and verification of underlying decision-making and the authorisation and implementation process shall be possible.

2.7 Efficiency

Cost efficiency in managing and using corporate resources shall be pursued in every work activity, in compliance with the most advanced quality standards. CGI also warrants to protect and safeguard corporate resources and assets, as well as to manage its assets and capital by adopting all precautions necessary to guarantee full compliance with laws and regulations in force.

2.8 Protection of Privacy

CGI warrants to protect the Privacy of Recipients, in compliance with regulations in force, with a view to preventing the disclosure or dissemination of personal data without the informed consent of the data subject. Acquisition and processing, as well as retention of Staff information and personal data and of the other data subjects for which the Company holds data, shall be done in compliance with specific procedures, directed towards preventing unauthorised persons and/or entities from gaining access thereto.

2.9 Value of Human Resources

Human Resources are recognised as an essential and indispensable factor for business advancement and success.

CGI protects growth and professional advancement in order to increase the wealth of competence which it may harness, in compliance with prevailing legislation on the rights of individuals and with special regard to the moral and physical integrity of Staff.

CGI warrants not to promote forms of patronage and nepotism, as well as not establishing any relationship of a working nature with persons involved in terrorist acts.

In this regard, the Company adopts the most appropriate measures to prevent the risks associated with the performance of its business activities and, where this is not possible, for an adequate assessment of existing risks, with the aim of countering such risks directly at the source and guaranteeing their elimination or, where this is not possible, then their management.

The recognition of wage increases or other incentive tools and access to roles and positions of greater responsibility are linked, in addition to the rules established by law and under National Collective Bargaining Agreements, to individual employee performances, as well as to the ability to express organisational competences, through conduct based on the ethical principles adopted by the Company, under this Code.

Generally, CGI does not enter into work-related agreements with independent contractors or subordinated employment contracts with:

- employees of undertakings that audit statutory financial statements for twelve months after expiry of the agreement between CGI and the Independent Auditors, after termination of the relationship between the employee and such Independent Auditors;
- State Employees who, in the last three years of service, have exercised authorisation and contracting powers on behalf of public administrations, in respect of the Company.

2.10 Protection of the Environment

CGI acknowledges that environmental protection is of fundamental importance for ensuring a uniform and balanced growth path.

Consequently, the Company is committed to safeguarding the environment and contributing to the sustainable development of the region, using state-of-the-art technologies and the constant monitoring of corporate processes.

2.11 Relations with Local Authorities and Public Institutions

CGI pursues the goal of maximum integrity and fairness in relations, including contractual dealings, with public institutions and, in general, with the Public Administration, including any matters concerning the adoption and/or management of public funding, for the purpose of ensuring maximum transparency in dealings with the State, in accordance with the need for organisational and management independence typical of any economic operator.

2.12 Contributions and sponsorships

CGI may accede to applications for contributions, restricted to projects from Institutions and Associations regulated by statutes which explicitly state that they are non-profit entities and whose object represents noble cultural or social values.

Sponsorships, which may regard the social, environmental, sport, entertainment and arts areas, are intended only for events or organisations offering guarantees of quality and for which any conflict of interests is excluded.

2.13 Repudiation of all forms of terrorism

CGI repudiates all forms of terrorism and intends to adopt, within the sphere of its operations, appropriate measures to prevent the risk of involvement in terrorist events, thereby endorsing the affirmation of peace between nations and democracy. To this end, the Company warrants not to establish any working or business dealings with parties, whether natural or legal persons, involved in acts of terrorism, nor to finance or otherwise facilitate any such activities.

2.14 Protection of the rights of the individual

CGI acknowledges the need to protect individual freedom in all its forms and rejects any manifestation of violence, especially if directed at limiting personal freedom, as well as any form of prostitution and/or child pornography.

2.15 Protection of Occupational Health and safety

CGI pursues, with the utmost commitment, the goal of guaranteeing health and safety in the workplace by rigorously implementing all requirements under Italian Legislative Decree 81/08, as amended (the Consolidated Law on Occupational Health and Safety) which are applicable to the Company, as well as any additional provisions established by Customers while working at their plant sites. As part of its activity, CGI undertakes to adapt the work environment to human needs, including matters regarding the creation of jobs, the choice of operating equipment and operating and production methods.

2.15.1 Protection of Occupational Health and safety

CGI considers it a priority to guarantee the safety of its people not only with reference to the equipment, machinery and services that must be provided but also and above all to the work environment, as a whole, in relation to which the measures and precautions to be adopted they are inspired by the need to prevent both inherent and endogenous risks and the risks deriving from factors external to it and inherent to the place in which this environment is located. CGI, therefore, prepares every broader measure in identifying those initiatives which, also taking into account the specificity of the business areas and the international contexts in which it operates, can protect the worker from injury to his integrity, also in relation to non-directly related risks, or immediately linked to the content of the work performance, as in the case of attacks resulting from the criminal actions of third parties, as well as in protecting the safety of their employees wherever they perform their work.

2.16 Protection of transparency in business transactions (anti-money laundering)

CGI endorses the principle of maximum transparency in business transactions and adopts the most appropriate tools in order to counteract the phenomena of money laundering, self-laundering and receiving stolen goods.

Compliance with the principles of correctness, transparency and good faith in relations with all contractual counterparties is guaranteed.

Furthermore, transparency and traceability of all financial and non-financial operations and transactions shall be guaranteed, which are required to be faithfully reported in the income, financial, asset and equity position of the Company.

2.17 Protection of industrial and intellectual property rights

CGI complies with legislation on the protection of trademarks, patents and other distinctive marks and copyright laws. CGI does not permit the use, for any reason and for any purpose whatsoever, of trademark protected products, counterfeit marks, as well as the manufacture or marketing or, in any case, any activity concerning products already patented by third parties and over which the Company has no legal rights.

2.18 Cooperation with Authorities in the event of investigations

CGI acknowledges the value of the judicial and administrative system and pursues the objective of maximum integrity and fairness in dealings with competent Authorities. To this end, it prohibits any behaviour intended or capable of interfering with the investigations or assessments conducted by the competent Authorities and, specifically, any conduct aimed at hindering the search for the truth, also through inducing persons called by the Judicial Authority to refuse to give statements or make mendacious statements.

2.19 Proper use of Information Systems

The Company pursues the objective of the correct use of electronic data transfer services, in order to guarantee the integrity and authenticity of the data processed, to protect the interests of the Company and third parties, with specific

reference to public Authorities and Institutions. To this end, CGI adopts suitable measures to ensure that access to data transmission networks and information system data is made in full compliance with regulations in force, the privacy of any persons involved and in such a way as to guarantee the confidentiality of the information and ensure that processing is performed by persons expressly authorised to do so, preventing unauthorised intrusion.

2.20 Dealings with the private sector

CGI considers a fundamental and essential value that dealings with private-sector parties (vendors, contractors, outsourced providers (sub-contracting firms and service companies), consultants and business partners, etc.) are based on strict principles of loyalty, integrity, fairness and good faith.

2.21 Protection of share capital and creditors

One of the key aspects that ethically qualify the conduct of CGI consists in compliance with standards of conduct aimed at guaranteeing the integrity of the share capital, the protection of creditors and third parties that establish relationships with the Company and, in general, the transparency and the correctness of the Company's business and financial profile. CGI, therefore, intends to guarantee dissemination and compliance with the standards of conduct, with a view to safeguarding the values, also for the purpose of preventing the commission of white-collar crime under Legislative Decree 231/01.

2.22 Relations with Shareholders and the Market

CGI considers it necessary for shareholders to be able to participate in the decisions within their sphere of responsibility, to be able to make informed choices, ensuring maximum transparency and timeliness of the information disclosed to the owners and to the market. Dealings with the financial market are required to take place in strict compliance with industry codes and standards and in compliance with the requirements of the authorities and supervisory bodies, in ways are such as to avoid any disturbance and through adopting principles of loyalty, transparency and fair access to information.

2.23 Quality of Services

CGI directs its operations with the aim of satisfying and protecting its Customers, by heeding any recommendations and suggestions for enhancing the quality of expected services.

3.0 STANDARDS OF CONDUCT

3.1. Principles and standards of conduct for members of corporate bodies

The corporate bodies, aware of their accountability, in addition to compliance with the law, prevailing legislation and the Articles of Incorporation, are required to comply with the provisions of the Model and the Code of Ethics which is part thereof. Corporate body members are required to:

- adopt conduct based on autonomy, independence and fair dealings with public institutions, private-sector parties (including corporate creditors), trade associations, political forces, as well as with any other national and international operator;
- adopt conduct based on integrity, loyalty and a sense of duty towards the Company;
- guarantee diligent and informed attendance at the meetings and participation in the activities of the corporate bodies;
- ensure the sharing of the mission and adoption of a discerning critical spirit, in order to guarantee making a significant personal contribution;
- assess situations of conflict of interests or incompatibility of functions, positions or roles held outside and at CGI, refraining from acting in situations of conflict of interests, within the sphere of their duties;
- not obstruct in any way the control and/or audit activities performed by the shareholders and by the other corporate bodies, including the Supervisory Body or by the Independent Auditor or by other external or internal Third Parties mandated by CGI to perform inspections;
- make confidential use of the information to which they are privy by reasons of office, refraining from using their position to obtain personal gain, both directly and indirectly. All disclosures directed outside the Company are required to comply with laws and standards of conduct and shall be appropriate for safeguarding price sensitive information and that protected by industrial secrecy;
- comply, for matters within their competence and within the limits of their responsibilities, with standards of conduct adopted for Staff.

3.2. Principles and standards of conduct for Staff and for parties acting for the benefit of Carlo Gavazzi Impianti S.p.A.

Staff and parties acting for the benefit of CGI are required to adapt their conduct, both within the Company and in relations with persons outside the Company, to comply with prevailing legislation, as well as, specifically, to the standards under the Model and this Code of Ethics.

With reference to the Model, it is necessary:

- to refrain from engaging in, giving cause to or aiding and abetting conduct or acts falling within the types of criminal offences under the Decree;
- to cooperate with the Supervisory Board during inspection and supervision activities conducted by the latter, providing any information, data and reports requested;
- to provide the disclosures required under this Code to the SB;
- to report to the SB any dysfunctions of the Model and/or the Code of Ethics.

Staff and parties acting for the benefit of CGI may contact the Supervisory Board at any time, either in writing (also by e-mail to the address: odv@carlogavazzi.it) or by phone, also for the purpose of requesting guidance and/or information on, for example:

- interpretation of the Code of Ethics and/or other procedures related to the Model;
- the lawfulness of a specific type of behaviour or conduct, as well as its opportuneness or compliance with the Model or Code of Ethics, ensuring the possibility of providing both anonymous reports and reports with a known identity, in this case putting in place all the safeguards to guarantee non-retaliation against the whistleblower.

In addition to these general provisions, Staff and parties acting for the benefit of CGI are also required to comply with the principles and standards of conduct described further on, concerning both matters considered of special relevance from an ethical and business sector standpoint for corporate operations.

3.2.1 Conflict of interests

Staff and parties acting for the benefit of CGI are required to refrain from nor facilitate transactions representing a conflict of interests - actual or potential - with the Company, as well as activities that may interfere with the ability to adopt, in an impartial manner, decisions in the best interests of the Company and in full compliance with the provisions of this Code.

On the presentation of a situation representing a conflict of interests, albeit only potential, Staff and parties acting for the benefit of CGI are required to notify their direct superior and the SB of such circumstances, refraining from executing any transactions whatsoever.

3.2.2 Rejection of all forms of active and passive bribery

CGI prohibits Staff and parties acting for the benefit of the Company to offer, promise or give, also indirectly, money, gifts, goods, services, benefits or favours (including job opportunities or through activities, including business activities - directly or indirectly - traceable to the employee) to Holders of Public Offices, Representatives of Public Services and/or private-sector individuals, with intent to influence their decisions, in exchange for more favourable treatment or undue performance or for any other purpose, including acts performed falling within their office.

Similarly, it is forbidden to accept money or other benefits, both financial and of any other nature, on behalf of the Company and/or personally and/or for third parties, if such action is intended to influence the commission (or also the omission) of acts in breach of their professional duties.

The bestowal of gifts and/or offerings is permitted to the extent they are of modest value and fall within standard practices and customs, in compliance with internal policies, and only with respect to private-sector individuals who have commercial and/or business dealings with the Company.

In any case, anyone acting in the name and on behalf of CGI is required to refrain from practices that are not permitted by law, under business standards or codes of ethics - if known - by public and/or private-sector counterparties with whom relationships have been established.

Directors, statutory auditors, employees, independent contractors and anyone acting on behalf of CGI are forbidden from receiving gifts, contributions or benefits, directly or indirectly of any kind, whenever the Company is a contractor for public works.

3.2.3 Relations with Vendors, Outsourced Providers (Sub-contracting firms; Service providers), Contractors and contractual Third Parties

Staff and parties acting for the benefit of CGI are required to base their relationships with vendors, outsourced providers, contractors, sub-contractors and contractual third parties, in general, on standards of utmost correctness and transparency, in compliance with laws and regulations in force, the Model and the Code of Ethics, as well as internal policies and, specifically, those provisions relating to customer dealings, purchasing and the selection of vendors and outsourced providers.

In selecting its vendors, outsourced providers, contractors and third parties, in general, CGI operates with a view to achieving the maximum competitive advantage, while adopting non-discriminatory conduct.

In selecting its vendors, outsourced providers, contractors and third parties in general, CGI considers - in addition to the positive financial aspects - also the technical/business and organizational ability of its contractors, globally evaluating their reliability with reference to the specific nature of the services to be rendered, in full compliance with prevailing legislation.

Relations with vendors, outsourced providers, contractors and third parties, in general, are required to be governed by specific agreements, intended to achieve total transparency in the relevant business relationship.

3.2.4 Confidentiality

Staff and parties acting for the benefit of CGI are required to treat all reports and information to which they may be privy with total confidentiality, including after termination of the employment relationship, preventing any distribution and disclosure or use for personal speculative purposes or that of third parties. Confidential information may be disclosed, within the Company, on a need-to-know basis for work purposes.

3.2.5 Care in the use of corporate assets

Staff are required to protect and safeguard the Company's valuables and assets which have been entrusted to them and contribute to the protection of the Company's assets by preventing situations arising which could negatively affect the integrity and security of such assets.

In any case, Staff are required to refrain from using corporate resources, assets or materials for personal gain, or for unauthorised purposes.

3.2.6 Financial statements and other corporate records

Staff and parties acting for the benefit of CGI are required to pay special attention to the preparation of financial statements and other corporate records.

In this regard, it will be necessary to guarantee, in accordance with the provisions of the international accounting standards and those under the Confindustria Guidelines:

- adequate liaison between the corporate functions responsible for preparing corporate records;
- the completeness, clearness and accuracy of the data and information provided;
- compliance with the accounting record compilation standards.

3.2.7 Occupational Health and Safety

Recipients of the standards under this Code of Ethics participate, as part of their duties, in the process of risk prevention and protection of health and safety both regarding themselves, their colleagues and third parties.

3.2.8 Anti-money laundering

Staff and parties acting for the benefit of CGI are required to adopt all appropriate tools and precautions for ensuring the transparency and propriety of business transactions. Specifically, it is mandatory, among other things, for:

- engagement agreements, entered into with any service companies and/or natural persons that are responsible for the business/financial interests of the Company, to be made in writing, indicating the subject matter and agreed terms and conditions of business;
- the competent functions to ensure oversight on the regularity of payments to all counterparties, including verifying that the payee of the payment instruction corresponds to the party collecting the relevant amounts;
- ensuring the minimum requisites established and required for the selection of bidders for the goods and/or services that the Company intends to purchase are scrupulously complied with;
- ensuring criteria for assessing bids have been established;
- ensuring, with reference to the business/professional reliability of vendors and partners, all necessary information has been requested and obtained;
- ensuring, in the event of conclusion of agreements/joint ventures, where making investments is involved, that maximum transparency is guaranteed;
- correct and transparent conduct to be adopted, in compliance with laws and regulations in force, in the performance of all the activities regarding invoicing and invoice recording in statutory accounting records;

- correct and transparent conduct to be adopted, in compliance with laws and regulations in force, in the compilation and subsequent filing of tax returns;
- refraining from executing any transaction intended for avoidance of the payment of taxes due, based on tax returns;
- refraining from executing sham transactions or otherwise fraudulent transactions intended for permitting evasion of payment of income taxes or value-added taxes;
- providing for the due filing of tax returns and prompt settlement of taxes due.

3.2.9 Use of information systems

Staff and parties acting for the benefit of CGI, in the performance of their professional duties, are required to employ information technology or data transmission

Staff and parties acting for the benefit of CGI may not upload borrowed or unauthorised software onto corporate systems, as well as make unauthorised copies of programs, licensed for personal, corporate or third-party use.

Staff and parties acting for the benefit of CGI are required to use information technology tools made available by the Company exclusively for business purposes; consequently, the Company will be entitled to verify the contents on computer systems, as well as the correct use of IT tools, in compliance with corporate policies.

Furthermore, Staff and parties acting for the benefit of CGI are required to refrain from sending threatening and insulting electronic mail messages, from using linguistic expressions that are not in keeping with the Company's style or, in any case, use inappropriate language.

3.2.10 Respect for the environment

Staff, in performing their corporate duties, are always required to give priority to the need to protect the environment with respect to any business consideration.

3.2.11 Financial reporting control and transparency

Transparency in financial reporting is based on truth, accuracy and completeness of the essential information for accounting records. Each member of company bodies, management or employee is required to cooperate, within their sphere of responsibilities, for ensuring that operating events are recorded correctly and in a timely fashion in the relevant accounting records.

Engaging in conduct that may adversely affect transparency and traceability of financial reporting is forbidden.

Proper supporting documentation is required to be retained for each transaction, providing traceability of the acts performed, in order to enable:

- easy and timely recording in accounts;
- identification of the various levels of responsibility and the separation and segregation of responsibilities;
- accurate reconstruction of the transaction, to reduce the likelihood of any material or interpretative error.

Each record is required to be an exact reflection of the relevant supporting documentation. It is the duty of all CGI Employees to ensure that the documentation is easily traceable and retained according to logical system criteria.

3.2.12 Protection of share capital and creditors

In accordance with the provisions of Italian law and the international accounting standards adopted by the Company, the Corporate Bodies, Management, Staff and Independent Contractors are required to:

- adopt correct, transparent and cooperative conduct, in compliance with the law and company policies, in all activities performed for preparing corporate financial statements and other statutory corporate disclosures intended for shareholders or the general public, in order to provide truthful and correct information on the business, equity and financial position of the Company;
- strictly comply with legal provisions established for protecting the integrity and propriety of the share capital (e.g.: mergers, demergers, company acquisitions and allocation of profits and reserves, etc.) and for acting in compliance with corporate policies based on such laws, for the purpose of preventing prejudice to creditors and third parties in general.

Furthermore, CGI ensures the correct working of its corporate bodies, guaranteeing and facilitating any form of control over corporate management required by law, as well as the free and proper expression of the will of the shareholders' meeting; strict compliance with the internal policies prepared for this purpose by the Company and/or, in any case, adoption of conduct in line with such standards.

Specifically, regarding the preparation of the financial statements, CGI considers the truthfulness, correctness and transparency of financial statements, reports and other corporate disclosures required by law and intended for shareholders or the general public, an essential principle in conducting business and for guaranteeing fair competition. This requires that the validity, accuracy and completeness of basic financial reporting information used for accounting records is inspected and reviewed.

Consequently, no concealment of information or any partial or misleading representation of operating, equity and financial data by management and the persons subject to their oversight and control is permitted. Therefore, all internal and external staff involved in generating, processing and recording such accounting information are responsible for the transparency of the Company's financial reporting.

Any neglect, omission or falsification of which staff may become aware is required to be promptly reported to the SB.

3.2.13 Relations with Shareholders and the Market

The internal corporate structure of CGI and the parties, directly and indirectly, involved in the various corporate activities are organised according to rules for ensuring the reliability of the management and a fair balance between management powers and the interests of the shareholders and other stakeholders, in general, and for rendering any management decisions and corporate events transparent and verifiable by the Market, which could significantly impact the performance of financial instruments issued.

As part of the actions implemented, intended for maximizing shareholder value and guaranteeing the transparency of corporate management, CGI has defined a set of standards of conduct regarding both the process for corporate decision-making, relations with shareholders and relations with third parties, in accordance with the most advanced national and international standards, aware that the ability of the Company to establish efficient and effective corporate operating standards is an essential tool for enhancing the reliability, transparency and trust of Stakeholders.

To this end, CGI requires that correct internal management and correct external disclosure of corporate information is ensured.

3.2.13 Tax and Customs

CGI recognizes that the tax system must be based on a relationship of trust and collaboration between citizens and tax authorities. Personnel and individuals who carry out activities in the interest of CGI must pay particular attention to the need to comply with the tax obligations imposed by law.

Moreover, the size of CGI's activities and the development of possible new markets, determines the need to know and comply with the laws on customs law and international commercial law.

3.3. Principles and standards of conduct for Third-Party Recipients

In addition to members of the corporate bodies and Staff, this Code of Ethics and the Model also apply to Third-Party Recipients, meaning parties that are external to the Company, acting, directly or indirectly, for CGI (including, but not limited to, contractors, outsourced providers (sub-contracting companies and service providers), agents, independent contractors in any capacity, consultants, vendors and business partners).

Third-Party Recipients, therefore, are required to comply with the provisions of the Model and this Code and, specifically, within the limits of their respective competences and responsibilities, the reference principles of ethics and the standards of conduct adopted for Staff of the Company.

4.0 DISCLOSURE AND DISTRIBUTION OF THE CODE OF ETHICS

The Company warrants to guarantee timely internal and external distribution of the Code of Ethics. Specifically, for the Corporate Bodies and Staff, it guarantees:

- distribution of the Code of Ethics to all members of the Corporate Bodies and to all Staff;
- guidance on the interpretation and clarification of the Code provisions;
- display of the Code at the company headquarters at a place accessible to all;
- the creation of audit systems for monitoring actual compliance with the Code of Ethics.

The Supervisory Board, in accordance with Legislative Decree 231/01 (hereinafter the SB) promotes and monitors training projects on the principles of the Code of Ethics, structured and differentiated according to the role and responsibilities of the resources concerned. Training will be more intense and marked by a higher degree of detail for employees qualified as 'senior management' under the Decree, as well as for those who work in areas "at risk", in accordance with the Model, with a special focus on the prevention of bribery.

Specifically, for Third-Party Recipients and, in any case, for any other counterparties, the Company will also:

- inform such parties about the commitments and obligations under the Code of Ethics, by providing them with a copy of the Code;
- disclose the Code using the corporate information systems;
- require such parties to comply with the Code of Ethics;
- have clauses and/or statements under and/or however annexed to relevant agreements, intended, on the one hand, to render the commitment in respect of compliance with Legislative Decree 231/2001, the Model and the Code of Ethics official and, on the other, to regulate the contractual penalties that will be adopted on breaching such commitment. The Company will oversee the definition and ongoing improvement of such clauses.

Any doubts regarding the adoption of this Code will be promptly discussed with the SB.

4.1 Duties of the Supervisory Board

Oversight of the implementation and compliance with the Model and the Code of Ethics is entrusted to the Supervisory Body, without prejudice to the provisions under the General Section of the Model,

4.2 Breaches of the Code of Ethics and relevant penalties

For the type of Model breaches, including those concerning the Code of Ethics, as well as the adoptable penalties and the proceedings for appealing alleged breaches and the adoption of penalties, please refer to the provisions of the Disciplinary Code adopted by CGI.

4.3 Reporting of any breaches of the Code of Ethics

Whenever a person, required to comply with the Model and this Code of Ethics, becomes aware of a fact and/or a situation which may represent a potential breach, he/she is required to promptly report it to the SB.

The Company has activated the appropriate dedicated communication channels, in order to facilitate the process of reporting to the SB.

Specifically, a special e-mail address (odv@carlogavazzi.it) was activated, for sending any reports regarding breaches of the Model or this Code, which may also be used for receiving anonymous reports or those where it is not possible to trace the identity of the sender.

In addition, reports may be made in writing by sending a specific notification, also anonymously, to the postal address:

Supervisory Board, c/o Carlo Gavazzi Impianti S.p.A., **Milanofiori, Palazzo WTC, strada 1, Assago, Milan, Italy.**

In any case, the SB shall endeavour to ensure that individuals who have filed reports are not subjected to retaliation, discrimination or, in any case, penalties, thus ensuring an adequate level of confidentiality of such persons (unless required otherwise under legal compliance).