



CODE OF ETHICS OF
PETROLVALVES
PURSUANT TO
LEGISLATIVE DECREE
NO. 231 OF 2001

VERSION APPROVED BY
RESOLUTION OF THE
BOARD OF DIRECTORS
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1 . I N T R O D U C T I O N

NOTE TO READERS

The Ethics Code is a document that has been prepared in Italian.

This English language version of the Ethics Code has been prepared in order to assist those for whom Italian is not a language with which they are familiar and who are better able to review the Ethics Code in the English language. This is a purposive document in that it is an attempt not just to replicate the words of the Italian version of the Ethics Code but also to reflect its spirit and underlying intentions.

Should there be any difference between the interpretation of the original Italian language version of the Ethics Code and this English language version, the Italian version shall prevail.

1.1. PREPARATION AND APPROVAL OF THE ETHICS CODE

PetrolValves has traditionally valued and safeguarded ethical principles in its business operations, recognising "integrity" as a key element of both its culture and actions.

The Company has provided training to its Employees on the ethical principles underpinning its business, this predominantly revolving around shared values of responsibility, best practice and compliance.

The Company has decided to update its guidelines on ethical behaviour and has, therefore, prepared an "Ethics Code" which comes into immediate effect. This Code is an integral part of the Model and has been issued in conjunction with it.

The Ethics Code is the reference point against which all Company operations can be reviewed from an ethical perspective and with regard to the Legislative Decree no. 231/2001.

1.2. AIMS, STRUCTURE AND ADDRESSEES OF THE ETHICS CODE

The Ethics Code lays out general principles and rules which the Company has determined represent the ethical standards by which all Addressees must abide.

The Addressees include the Company's directors ("Directors"), statutory auditors ("Statutory Auditors") and individuals who work for the Company's auditor ("Auditor"), as well as its employees, including managers ("Employees"). It also includes those that may be external to the Company but work for it, directly or indirectly, such as legal advisers, counsel, agents, partners, suppliers and commercial partners ("Third Party Addressees") (together the "Addressees").

The Addressees must comply with the principles of the Model and the Ethics Code and, in their roles, ensure the compliance of others. This is a binding part of the Model for all Addressees and also applies to the Company's operations abroad.

The rules contained in the Ethics Code are based on the highest standards of behavior and transparency and are intended to give meaningful and effective protection and assurance to those in any way associated with or dealing with the Company. This assists in maintaining the Company's standing and reputation as a business which conducts its operations in an ethical manner both at home and abroad.

2 . D E F I N I T I O N S

CODE: this document.

COMPANY: PetrolValves S.p.A. (and reference to the "Company" shall, save where the context requires otherwise, include reference to each member of its group)

EMPLOYEES: people working directly for the Company under an employment contract (including part-time and fixed-term contracts), an apprenticeship or internship, as well as temporary workers engaged by the Company through third parties in line with applicable laws.

MANAGER: every person responsible for one or more of the Company's divisions, functions or processes, as set out in the Company's organisational chart, as applicable from time to time.

MODEL: the Organisational, Management and Control Model (OMCM) prepared pursuant to Legislative Decree no. 231/2001, as adopted by the Company.

PARTNERS: people providing the Company with professional services.

PETROLVALVES CONFIDENTIAL OR PROPRIETARY INFORMATION:

- Data relating to the Company's organisation and to its assets, price lists, sales, markets, profits, clients and other matters pertaining to the Company;
- Information concerning the Company's activities and its production, research and implementation processes and procedures; and
- Internal financial data.

SUPERVISORY BODY: entity (S.B.) defined and established pursuant to Legislative Decree no. 231/2001 with autonomous power to act and exercise control in relation to the provisions of the MODEL.

3 . P R I N C I P L E S R E G U L A T I N G T H E A C T I V I T I E S O F T H E C O M P A N Y

The Company wishes to draw attention to the principles which it values most. These principles reflect those set out in the “company value chart”, drafted by the European Institute for the Company’s financial statements, and represent the fundamental values to which Addressees must adhere whilst pursuing the Company’s objectives and whilst working for the Company.

The fundamental ethical principles identified by the Company relate to the following:

- responsibility and compliance with laws;
- correctness;
- neutrality;
- honesty;
- integrity;
- transparency;
- effectiveness;
- fair competition;
- protection of privacy;
- commitment;
- valuing our staff;
- relationships with others;
- protection of the environment;
- relationships with local and public institutions;
- relationships with associations, trade unions and political parties;
- relationships with international entities;
- rejection of any kind of terrorism;
- protection of individual personality;
- protection of health and safety at work;
- transparency in commercial relationships;
- compliance with laws concerning terrorism, money laundering, transnational and organised crime; and
- compliance with laws concerning commerce, industry and protecting intellectual property.

3.1 PRINCIPLES AND RULES GOVERNING BEHAVIOUR

The Company has dedicated part of this Code to principles and rules governing behavior that must be complied with in the Company's operations, outlining the relevant principles and rules applicable to each group of Addressees.

3.1.1 PRINCIPLES AND RULES APPLICABLE TO THE MEMBERS OF THE ADMINISTRATIVE FUNCTIONS OF THE COMPANY

Given the importance of their role, members of the corporate bodies of the Company (and including any who are not Employees) must, comply with the Model and the Code.

In particular, while carrying out their activities they must be free from outside influence and act independently and fairly with any third party, whether public or private.

Equally, they must behave responsibly and loyally towards the Company and refrain from acting where subject to a conflict of interest. Finally, all information which they acquire on account of their role with the Company must be kept confidential.

3.1.2 PRINCIPLES AND RULES APPLICABLE TO EMPLOYEES

In their working relationships both inside and outside the Company, Employees must comply with all relevant legislation, the principles of the Code, the relevant rules of conduct of the Company, the Model and the Company's own internal procedures then in force.

As a general rule, Employees must avoid actions that may directly or indirectly, result in the commission of a criminal offence, including any of the criminal offences set out in the Decree. Employees must cooperate with the Supervisory Body in the course of its verification and monitoring activities, and also in the provision of information, data and updates as required by the Model.

In addition to the above, it is mandatory to report communications to the Supervisory Body, in particular with regard to the reporting of possible breaches of the Model or the Code.

The Employees' section of the Code sets out the principles governing behaviour and also rules concerning particular issues and areas of the Company's activities, the main features of which are set out below.

4 . R E L A T I O N S H I P S W I T H T H E C O M P A N Y

The Company's reputation is materially affected by the conduct and actions of each Employee. This means that any inappropriate or illegal behaviour by an Employee may cause significant damage to the Company. Each Employee must safeguard the global reputation of the Company, and particularly its reputation in the country in which the Employee is working, through adopting appropriate behaviour.

4.1 CONFLICTS OF INTEREST AND COMPETITION IN RELATION TO THE COMPANY

Employees must both avoid and prevent actions and situations which place them in a conflict of interest with the Company (whether real or potential). They must avoid situations that may interfere with their ability to act impartially, in the best interests of the Company, and in full compliance with the provisions of the Code.

In particular, Employees must not have financial interests in a supplier, competitor or client and are forbidden from engaging in any activities that may lead to a conflict of interest.

Employees are also forbidden from undertaking activities that either compete with the Company or which benefit the Company's competitors.

Should any Employee be in a situation in which he/she has a conflict of interest, even if only potential conflict of interest, he/she must communicate it to his/her manager and to the Supervisory Body, and then refrain from carrying out any further activity.

4.2 PROFESSIONAL UPDATING OBLIGATION

Employees must always demonstrate a high degree of competence whilst carrying out activities for the Company. All Employees must regularly update their knowledge of their specific areas of expertise.

4.3 CONFIDENTIALITY

Employees must treat all data, news and information obtained during their work as strictly confidential and must not disclose it or use it for their personal benefit or for the benefit of others. This obligation continues beyond the termination of their working relationship with the Company.

Such confidential information may only be disclosed within the Company to those who require such information by reason of their work.

In particular:

the Company's internal confidential or proprietary information must not be disclosed to any third parties or made public, and must be kept confidential; and

information disclosed to any such above-mentioned third parties, and which is not in the public domain, must be kept confidential pursuant to applicable legal and contractual provisions.

4.4 CARE WHEN USING THE COMPANY'S ASSETS

Employees must safeguard the assets of the Company which are entrusted to them, taking due care of them and avoiding situations which may result in damage to such assets.

Employees must avoid using the Company's assets for their own private benefit, and any improper use of the Company's resources, assets or property in general.

In particular, devices and equipment located in the Company's offices or at any other locations, such as phones, copying machines, computers, software, internet, and other machines and tools (including email and voice-mail systems), must be exclusively used for working purposes and are not for personal use. Exceptions may be agreed upon, provided however that such use:

- is not linked to any illegal activity;
- will not result in any actual or potential conflict of interest;
- will not result in significant additional cost to the Company;
- will not interfere with the Company's activities or impact adversely on the Company, such as by interfering with the ability of any relevant Employee(s) to undertake their work.

It is strictly prohibited to collect or disseminate information concerning racism, violence or other criminal acts, or that deals with other matters considered to be offensive from a sexual point of view having regard to the relevant cultural environment.

No Employee may, without prior authorisation from his/her Manager, create archives, databases, video or audio files or recordings, through the use of Company devices and equipment, save for purposes directly connected to the Company's activities.

4.5 COMPLIANCE WITH REQUIREMENTS OF COMPANY LAW

It is fundamental to the Company that all of its business and corporate records (including those dealing with monetary, economic and financial issues) are prepared with honesty and integrity and in full compliance with all relevant legislation.

Employees must take particular care and attention when preparing the Company's financial statements and each other corporate document.

Therefore, it will be necessary to ensure:

- cooperation between departments responsible for preparing documents that will become a matter of public record;
- that all information provided is complete, clear and accurate;

- that financial records are prepared in accordance with applicable accounting standards, policies and practices.

4.6 PROTECTION OF WORKERS AND EMPLOYEES

The Company will not employ foreign workers who do not have necessary residence permits or those whose residence permits have expired and in relation to which no renewal has been requested, or those whose renewal requests have been rejected or cancelled.

Individuals who have previously held positions of administrative or commercial authority in government organisations or public bodies in the three years prior to their employment by the Company, cannot act for the Company in its dealings with any such government organisations or public bodies in the three years following termination of such previous employment, in case they also acted opposite the Company during such period of employment.

Agreements concluded and contracts awarded in breach of this principle will be void and may result in the Company being unable to contract with government organizations and public bodies for the next following three years.

The Company is committed to ensuring the professionalism and competence of its Employees and Partners, this being fundamental to the Company's reputation.

Recognising that personal relationships and values are core to its business, the Company adopts a zero tolerance approach to any discrimination towards its Employees or Partners.

In their roles within the Company, Employees and Partners must behave appropriately, respecting the dignity and moral autonomy of others. Any kind of intimidation and harassment is strictly prohibited.

Consistent with the Company's culture of courtesy and transparency, Employees and Partners must work with diligence and the highest degree of care towards, and cooperation with, colleagues and third parties.

By providing the highest quality of service to third parties with whom they have professional dealings and by acquiring new competences and skills, Employees and Partners actively contribute to the Company's success and professional reputation.

Managers must base their relationships with their associates on mutual respect and cooperation.

Each Manager must promote the professional advancement of his/her associates, taking into account the respective approach of each, in order to maximise the efficient use of human resources by the Company.

4.6.1. HEALTH AND SAFETY AT WORK

The Company is committed to providing for its Employees and Partners a working environment that actively safeguards their health and safety and mental and physical wellbeing, in accordance with applicable legislation and regulations (with the specific aim of avoiding criminal offences under articles 589 and 590, third paragraph, of the criminal code

(manslaughter and culpable serious or very serious injuries) which arise through any breach of regulations concerning protection against injuries and the provision of a hygienic and safe working environment).

Employees must act responsibly in relation to their own health and safety and that of those working with them and in their vicinity, in accordance with the Company's health and safety procedures, training, instructions and guidance and the operating instructions relevant to any tools provided by the Company.

Furthermore, Employees must:

work collaboratively with others, including any relevant employer, Managers and colleagues with particular responsibilities in this area, to fulfill the Company's commitments in relation to health and safety at work;

comply with the requests and instructions of any relevant employer, Managers and colleagues with particular responsibilities in this area, in relation to collective and individual health and safety;

correctly use or handle tools, plant and equipment, hazardous substances and products, vehicles and security equipment;

appropriately use the dedicated safety guards and devices and personal safety equipment; immediately report to the relevant employer, Manager or colleagues with particular responsibilities in this area, any malfunctioning in the operation of or damage to any of the tools, plant and equipment, vehicles, security equipment, safety guards and devices and personal safety equipment mentioned under letters c. and d. above, as well as any possible hazards which he/she has noticed in the course of discharging his/her duties and, having regard to his/her expertise and subject always to what is set forth under letter f. below, the steps taken in order to eliminate or reduce the risks, and will also report it to the employees' safety representative;

not remove or modify, without specific authorization and appropriate supervision, any safety, warning or control equipment or devices;

take care of the available personal safety equipment and devices and will not modify any without express authorization and appropriate supervision, reporting any defects or any other like matters to the employer, Manager or to colleagues with particular responsibilities in this area;

not, without specific authorization and appropriate supervision, engage in any operation or activity that falls outside his/her area(s) of expertise or that may place him/her or others at risk of injury;

participate in educational and training programs organised by the employer;

complete any mandatory medical assessments required or recommended by relevant legislation or by a competent medical practitioner.

4.7 ENVIRONMENTAL PROTECTION

The Company cares about the environment and so conducts its business in compliance with all relevant legislation, the potential impact of the Company's activities on the environment being a key factor in any decision making process.

The Company takes all appropriate measures in order to protect the environment, paying particular attention to relevant legislation concerning waste disposal and the protection of water, soil, subsoil and the atmosphere.

Employees must minimize their impact on the environment (paying particular attention to those activities where an impact is likely or inevitable) by acting in accordance with the training, instructions, guidance and initiatives in relation to good environmental management provided by the employer and making use of any equipment provided for that purpose.

Furthermore, Employees must:

contribute, together with the employer, Managers and colleagues with particular responsibilities in this area, to discharging the Company's obligations in relation to environmental protection;

comply with the requirements and instructions given by the employer, Managers and colleagues with particular responsibilities in this area in relation to environmental protection;

use and/or handle appropriately all work plant and equipment, hazardous substances and products, and means of transport;

use dedicated plant and equipment appropriately;

immediately report to the employer, Managers or colleagues with particular responsibilities in this area, any limitations in the plant and equipment mentioned under c. and d. above, as well as any possible hazards of which he/she is aware and, having regard to his/her expertise and subject always to what is set forth under letter f. below, the steps taken in order to eliminate or reduce the risks, and will also report it to the Employee's safety representative;

not, without specific authorization and appropriate supervision, remove or modify any safety, warning or control equipment or devices;

take care of the available personal safety equipment and devices and will not modify any without express authorization and appropriate supervision, reporting any defects or any other like matters to the employer, Manager or to colleagues with particular responsibilities in this area;

not, without specific authorization and appropriate supervision, engage in any operation or activity that falls outside his/her area(s) of expertise or that may place him/her or others at risk of injury;

participate in educational and training programs organised by the employer.

4.8 TRANSPARENCY PROTECTION IN COMMERCIAL RELATIONSHIPS

Employees must adopt all appropriate measures and care in order to guarantee the transparency and appropriateness of commercial relationships.

In particular, it is mandatory that:

- a. the engagement of service providers or (including those providing economic/financial advice to the Company), must be recorded in writing, setting out all the relevant terms, conditions and costs;

- b. appropriate departments monitor the regularity of payments to each counterparty and the identity of the person to whom the order is addressed and the person that receives the relevant payment;
- c. there has been adherence to the requirements set out for the selection of supplier (including, at the very least, full compliance with the minimum requirements);
- d. evaluation criteria for offers are clear and transparent and are complied with;
- e. with reference to the commercial/professional reliability of suppliers and partners, all the relevant information must be requested and obtained;
- f. in the case of agreements/joint ventures requiring a financial investment by the Company or others, there is the highest degree of transparency.

4.9 USE OF IT SYSTEMS

Employees, in carrying out their roles, must use the IT systems, services and IT devices provided by the Company in full compliance with all relevant legislation and regulations (in particular those related to IT crime, IT security, privacy and copyright) and internal procedures.

Employees are forbidden from any use of the Company's IT systems if intending to commit, or in a manner which may result in the commission of, any of the following crimes: unauthorised access to an IT system, illegal tapping, blocking or stopping of IT communications, corrupting information, data and private or public IT programs, including any used by the government or other public bodies or which provide any public benefit, and damaging private or public IT systems.

Employees are forbidden to upload onto the Company's IT systems any unauthorised or borrowed software, and are prohibited from making unauthorised copies of licensed materials for personal or a third party's benefit.

Employees must use computers and IT devices made available by the Company for business purposes only; therefore, the Company has the right to access computers to review content and usage of the IT system in order to verify compliance with internal rules and procedures.

In addition, Employees must not send offensive or threatening email messages or communicate in a manner that is not reflective of the Company's values and culture or that is in any way inappropriate.

4.10 Compliance with laws combatting terrorism, money laundering and transnational and organised crime and obligation to cooperate fully with judicial authorities

The Company recognises that the State is founded on the fundamental principles of democracy and freedom of political expression. Therefore, it will not tolerate any conduct that may amount to, or be associated with, terrorism or a subversion of the democratic process (including (without limitation) organised (and cross border) crime, mafia, money laundering, use of money, goods or profits deriving from crimes; failure to cooperate fully

and openly with judicial authorities; assisting criminals; the smuggling of tobacco products; illegal drug trafficking; illegal immigration and the trafficking of arms).

Any Employee or Partner who, in the course of his/her work, becomes aware of any transaction, activity or conduct that may constitute terrorism of any nature or be connected to transnational and organised crime, or concerns the aiding or financing of such activities or crimes, must promptly report it to their manager and to the Supervisory Body, subject to compliance with any mandatory legal requirements.

4.11. COMPLIANCE WITH OBLIGATIONS TO PROTECT INDIVIDUAL SAFETY AND HUMAN RIGHTS

A fundamental value of the Company is the protection of every individual's human rights including their safety, freedom and dignity. Therefore, the Company operates a zero tolerance approach to any activities which may breach an individual's human rights, such as female genital mutilation and modern slavery (as to which see the policy at part 7 of this Code), and to any sources of funds that may contribute to the carrying out of such practices.

The Company places a primary importance on the protection of children and preventing their exploitation. Therefore, any inappropriate use of IT devices by Employees is prohibited, in particular, any use of such devices for the purpose of, or to facilitate, the sexual exploitation of children or the dissemination of pornographic images.

Furthermore, in order to ensure respect for human rights, the Company commits to ensuring that its Employees, Partners, supplier and co-workers comply with all applicable employment legislation, with particular attention paid to the employment of children.

Each Employee or partner who, in the course of his/her duties, becomes aware of activities or conduct that may facilitate the violation of an individual's human rights as described above, including any incidents constituting or that may constitute modern slavery must, subject to any applicable legal requirements, immediately report it to his/her managers and to the Supervisory Body.

4.12 COMPLIANCE WITH LAWS PROTECTING INDUSTRY, COMMERCE AND INTELLECTUAL PROPERTY

The Company is committed to conducting its business and developing its commercial relationships in a legal, ethical and transparent manner and will not engage in any activities or practices which are in breach of applicable antitrust and/or competition law, which disregard intellectual property rights or which otherwise fail to meet that standard. The Company expects and requires all those working for it or on its behalf to conduct their businesses and manage their affairs in the same manner with the existing legislation concerning means or signs of authentication, certification or recognition, in order to protect industry, commerce and copyright.

With particular reference to intellectual property, the Company protects its own intellectual property, including patents, trademarks and other identifying symbols and marks, complying with relevant requirements and procedures for their protection, whilst respecting the

intellectual property of others. It is contrary to Company policy to engage in the unauthorised copying of software, and the use or copying of software and documents outside the terms of relevant licence agreements is prohibited.

5 . R E L A T I O N S H I P S W I T H T H I R D P A R T I E S

5.1 RELATIONSHIPS WITH GOVERNMENT ORGANISATIONS AND OTHER PUBLIC BODIES AND PRIVATE COMMERCIAL ENTITIES

All relationships with government organisations, other public bodies and government officials (this a broad term and including officials or employees of public international organisations, tax officials and people who can be considered to be holding public office or in charge of public services), and with private commercial entities, must be conducted in full compliance with all relevant legislation, in order to ensure the legitimacy, transparency and integrity of the Company's actions.

Save as set out in the following paragraph, Employees are prohibited from accepting, offering or promising (directly or indirectly), money, gifts, services, works or benefits (including any opportunity, even business related, that may be connected, directly or indirectly, to the Employee) in any relationship with government organisations, other public bodies and/or government officials or with private commercial entities.

Gifts or entertainment offered by or to government officials or government organisations or by or to other employees of government organisations or of private commercial entities are allowed only if of a moderate value and if they could not be perceived as in any way affecting the integrity and independence of the parties or as an attempt improperly to influence a business transaction or illegally obtain an advantage.

Employees must fully cooperate with any auditing, verification, inspection or similar requests from government organisations or other public bodies.

Where relationships exist with government officials or officials in charge of public services, Employees are prohibited from accepting, offering or promising (directly or indirectly), money, gifts or other benefits as part of that relationship.

Where relationships with public officers and officers in charge of a public service are concerned, it is also prohibited to accept any influence for being embezzled to give or promise money or any other benefit to said officers.

Directors, Managers, managers responsible for preparing accounts, Statutory Auditors and liquidators and all those under their direction or supervision, are prohibited from accepting (or agreeing to accept) money or gifts in connection with the responsibilities they discharge which are intended to influence, or which could be perceived as in any way influencing, their integrity and independence, their duty to the Company and the manner in which they discharge their responsibilities. It is also forbidden to give, offer or promise money or gifts to similar categories of persons employed by or working for any third party.

In those countries where it is culturally acceptable to offer gifts to clients or to others, it is permissible to offer gifts that are of an appropriate nature and of moderate value, but always in compliance with all applicable laws. However, any such gifts must never be intended to influence (and must not be capable as being perceived as in any way influencing), the integrity and independence of the recipient.

In relation to funds, grants or financial support received from government organisations, any other public body or the European Union, it is forbidden to allocate funds for purposes other than those for which funding has been granted; it is also forbidden to prepare inaccurate documents, to make false statements or to omit any relevant information (or to undertake any other related misleading or fraudulent activity) in order to obtain any such funds, grants or financial support or any benefit at the expense of any government organisation or other public entity.

All documentation and information supporting any application for funds, grants or financial support must be true, accurate and complete.

All Employees and Partners that have access, directly or indirectly, to the IT systems of any government organization or other public body, are prohibited from altering in any way such IT systems without having the express right to do so. This applies equally to data, information and software to which access (direct or indirect) has been granted.

Full compliance is expected not only with all the rules of conduct listed above governing relationships with members of government organizations or of other public bodies but also with all the rules of conduct of or pertaining to members of the International Criminal Court, administrative bodies and officers of the European Union and of foreign countries.

5.2 RELATIONSHIPS WITH CLIENTS AND SUPPLIERS

Employees must act with the highest degree of integrity and transparency in dealings with clients and suppliers, taking into account all applicable legislation and the ethical principles of the Company.

Such relationships must be conducted in compliance with the principles of integrity, honesty, transparency and good faith.

Within any relationship, the adequacy, relevance and evidence of any initiative must be guaranteed and said initiatives must aim to improve the professional knowledge of the Employees.

Employees must not engage in conduct or activities which are not in accordance with the Code and any applicable internal procedure.

- The Company expects all its suppliers to comply with all relevant legislation and to share its values and ethical principles, discharging fully their responsibilities to third parties and the environment, and specifically to undertake to:
 - a. comply with ALL applicable legislation, including that on the employment of children;
 - b. respect the fundamental human rights of all Employees;

- c. take all necessary measures to protect the health and safety of all Employees;
 - d. comply with the prohibition on bribery and the rules governing the accepting, offering or promising (directly or indirectly), money, gifts, services, works or benefits;
 - e. commit to the protection of the environment in compliance with any applicable legislation;
 - f. promote, with their suppliers, compliance with the Code in any relationship that concerns (directly or indirectly) the Company.
- The Company pursues a policy of equality and fairness in relation to its suppliers. Any Employees responsible for relationships with suppliers must comply with the selection and awarding procedures published by the Company and as defined in its Management, Quality, Environment and Security System. In any case, in relation to tenders for the supply or acquisition of goods/services, any such Employees must, in line with their respective responsibilities, abide by the following rules:
 - a. any such Employee must communicate to his/her manager, or to another responsible department or officer of the Company, such as the Supervisory Body, any personal interest he/she has in carrying out his/her role and which may lead to a conflict of interests;
 - b. in case of competing tenders, suppliers must not be illegally advantaged or disadvantaged. Therefore, fair and transparent evaluation and selection criteria must be adopted and relevant Employees must not prevent the award of contracts to suppliers who meet all requirements;
 - c. gifts or entertainment from third parties may be accepted only if offered for legitimate reasons (and not if the gift or entertainment could be perceived as an attempt improperly to influence a business transaction) and if their value could not reasonably be considered, in the circumstances, to be inappropriate having regard to accepted business practice and if declining would be considered to be discourteous;
 - d. no Employee shall offer, make, authorize or accept any payment of money or anything of value, whether from or to any third party or otherwise, in an attempt to influence a decision affecting the Company or for the personal gain of that Employee.

5.3 CONGRESSES, CONFERENCES AND MEETINGS

The provisions and principles governing the Company's participation in congresses, conferences, courses and meetings and visits by others to Company premises and sponsorship are principally designed to ensure the legitimacy of the Company's activities and the highest degree or transparency in its dealings with relevant operators in such fields.

For the Company, the primary objective of its participation in trade organisations (whether at international, national or regional level) and of its hosting of events at Company premise is the development of relationships with the other parties involved.

Further, the involvement of the Company in congresses must always be linked to its role in research and development and must be justifiable on ethical and economic grounds.

Employees must avoid participating in activities or initiatives which are not in accordance with the Code and the Company's internal procedures such as those designed or apparently designed to secure, directly or indirectly, benefits, profits or unduly favourable treatment to operators in such field.

5.4 RELATIONSHIPS WITH TRADE ORGANISATIONS

The Company may support initiatives promoted by trade associations provided that they comply with the principles and criteria set out in the Code with respect to the entering into and performance of any related agreements. In any case, any sponsorship by the Company for trade associations must be transparent and without promotional aims.

5.5 PARTICIPATION IN TENDERS

In relation to tenders in which the Company participates, the Company must act appropriately and with transparency and good faith.

In this regard, Employees must:

- by examining the tender rules, evaluate the practicality of satisfying the conditions;
- provide all data, information and updating required for the selection of the participants and applicable to the awarding of the tender;
- in the case of public tenders, fully disclose any relationship with public officials and avoid any actions which may compromise, or be perceived as compromising, the integrity and independence of such officials.

Further, in the case of the awarding by the Company of a tender while dealing with the client:

- the commercial relationship must be fully disclosed and appropriate; and
- all contractual obligations must be diligently discharged

6 . P R I N C I P L E S G O V E R N I N G T H E C O N D U C T O F T H I R D P A R T Y A D D R E S S E S

As set out above, the Model and the Code are also applicable to Third Party Addresses, (meaning people/entities external to the Company who support the Company and who, by doing so, directly or indirectly assist the Company in achieving its goals (including, but not limited to, legal advisers, counsel, agents, partners, suppliers and commercial partners)).

Such people/entities, within their respective areas of expertise and responsibility, must comply with the Model and the Code (which forms part of the former), including the ethical principles and the standards of behaviour expected of the Employees.

Non-compliance with the Code may lead to a disciplinary intervention by relevant authorities within the Company, this consistent with the requirements of the national working agreement for metalworkers. For a summary of specific sanctions, reference should be made to the contents of the Model, in the general section within the chapter dedicated to the disciplinary process.

In this context, it should be noted that the disciplinary process summarises types of relevant breaches and the associated sanctions, which escalate according to the seriousness of the circumstances.

The form of each sanction applicable to the Employees will be determined having regard to:

- the willfulness of the behaviour or the degree of negligence, carelessness or inexperience of any relevant worker, and the predictability of the outcome;
- the overall performance of the worker, having particular regard to any disciplinary record (to the extent permitted by law);
- the responsibilities of the worker;
- the positions within the Company held by others involved in the relevant event(s);
- the other particular circumstances of the breach.

The Company shall not enter into, and shall terminate with immediately effect, any relationship with a third party which does not expressly undertake to abide by the Model and the Code. In this context, the Company added ad hoc clauses to contracts and other agreements in order (i) to secure the commitment of each counterparty to fully abide by the Code, and (ii) to provide that in the case of a breach, the Company can require compliance with the Code or impose financial penalties or terminate the agreement.

7 . M O D E R N S L A V E R Y A C T

The Company adopts a zero-tolerance approach to modern slavery and child labour which is a gross violation of fundamental human rights. The Company is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to prevent modern slavery from taking place anywhere in its business or in any of its supply chains.

This policy sets out the Company's commitment to ensuring there is transparency in its business and in its approach to tackling modern slavery throughout its supply chain, consistent with international conventions and our obligations under the Modern Slavery Act 2015. It applies to all of our business units, operations, functions, and staff, including but not limited to legal entities (including joint ventures), acquisitions, disposals, outsourcing arrangements, new products, new asset classes and strategic projects.

The Company is committed to publish an annual statement, where relevant, setting out the steps taken during the financial year to ensure that slavery or human trafficking is not taking place in any of its supply chains or in any part of its business, or a statement that we have taken no such steps.

The Company is committed to investigating and addressing concerns relating to modern slavery and human trafficking which are raised over and above its own due diligence and anti-slavery risk assessments, with staff and others expected to raise concerns about any issue or suspicion of modern slavery in any parts of the business or its supply chains at the earliest possible stage.

The mechanisms and channels which allow for reporting breaches of this Policy are those provided in Part 8 of this Code.

8 . R E P O R T I N G R I G H T S A N D O B L I G A T I O N S T O T H E S U P E R V I S O R Y B O D Y

The Addressees of the Ethics Code can send reports, with reference to breaches committed by Directors and/or Employees, to the Supervisory Body to them in accordance with art. 5 lett a) and b) of Legislative Decree no. 231/2001, based on:

- objective, precise and consistent evidences of punishable conducts under Legislative Decree no. 231/2001 and
- about breaches of the Model and the Ethics Code

they have become aware in the performance of their duties.

The reports can be submitted:

- in writing, addressed to the Supervisory Board, through the mailboxes located at the Company,
- by e-mail to the following email address: odv@petrovalves.it.

It is possible to file an anonymous report, but the Company discourages to do so.

In any event, the whistleblower will be protected under art. 6, par. 2-bis, 2-ter, 2-quater, of Legislative Decree no.231/2001 in these ways:

- confidentiality in his or her identity;
- any form of retaliation, discrimination or victimization is not tolerated and
- in case any of this form takes act, the burden of proof is on the employer to demonstrate that the dismissal or the downgrading was due to reasons other than his or her allegation.

Failure to comply with the rules set forth in art. 6, par. 2-bis, of Legislative Decree no. 231/2001 would be sanctioned by the Company based on the internal procedures set out by the Company and by the applicable Collective Agreement in the following cases:

- breaches of the confidentiality measures;
- unfounded reports made with intent or gross negligence.

9 . C O D E I M P L E M E N T A T I O N A N D C O M P L I A N C E

Responsibility for the implementation of, and ensuring compliance with, the Model and the Code rests with the Supervisory Board that shall, inter alia:

- monitor compliance with the Model and the Code, with the aim of reducing the risk of committing any offences as set out in the Decree;
- make known its views on any ethical issue that may arise in relation to the activities of the Company and in relation to any possible breaches of the Model and the Code that are reported to it;
- respond to requests for clarification and information, including any concerning the legitimacy of actual behaviour or conduct, or in relation to the correct interpretation of the provisions of the Model and the Code;
- coordinate the updating of the Model and of the Code, including making its own recommendations;
- promote and monitor the implementation by the Company of the Model and, particularly, the Code, through education and communication;
- report to the relevant administrative bodies of the Company when aware of possible breaches of the Model or the Code, proposing at the same time appropriate subsequent sanctions for those responsible for any such breaches and monitoring the application and enforcement of such sanctions. The sanctions must be proportionate to the seriousness of the breach and must be notified to and approved by the Board of Directors.

For reporting and communication purposes, please refer to the following Model email address: odv@petrolvalves.it or use the appropriate mailboxes located at the Comp



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