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**CODE OF CONDUCT**

Guidelines and Standards of Integrity and Transparency

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Dear Colleague,

With regard to the operations of the companies of the Tenova Group, I should like to draw your attention to the guidelines governing our daily operations and, in particular, the administration of corporate assets.

The Tenova Board of Directors has approved the attached Code of Conduct, which applies to all the companies in our Group and sets out our corporate philosophy and standards of integrity and transparency.

The Board of Directors has also approved the Transparency Guidelines setting out the concepts of conflict of interests, non-competition agreement and gifts from third parties. The Guidelines have been posted on our intranet. The Guidelines include a Declaration of Conflict of Interests, to be filled out by those whose responsibilities justify such a declaration.

Our commitment to open, transparent management, based on the traceability of transactions, compliance with laws and internal regulations, is essential to ensure the trust of shareholders and financiers, as well as of our staff, customers, suppliers and the entities with whom we interact.

This trust is a core asset and a fundamental factor in our competitiveness. Safeguarding this trust is the duty of us all.



Gianfelice Rocca  
Chairman



## 1. INTRODUCTION

### **The Code contents apply to employees, directors, contractors, subcontractors and suppliers.**

This Code of Conduct establishes the lines of conduct and the standards of integrity and transparency with which Tenova employees at every level are required to comply.

To the extent that they are compatible with the nature and conditions of the individual relationship, all the principles set out herein shall also apply to the relationships between Tenova and its contractors, subcontractors, suppliers, consultants, employees and apprentices, paid or unpaid, in compliance with the regulations and laws in force in each country.

### **A personal commitment to compliance with law, to honesty, to loyalty to the company and to transparency is required.**

Within the working relationship established with each subsidiary, every employee shall perform his duties in compliance with law, with internal or external regulations and with the guidelines of this Code on the basis of a personal commitment to honesty, loyalty to the company and transparency in all workplace activities.

Compliance with the Code shall be considered an essential part of the contractual requirements applying to Tenova employees.

Any conduct in the workplace that determines an unwarranted personal benefit for employees or for their family members or for their partners (where partners shall signify parties who have an entrepreneurial relationship with the employee on a contractual or associative basis), to the detriment of the interests of the company or of any company stakeholder (shareholders, customers, suppliers, other employees, the community), shall be considered contrary to the principles of this Code.

In taking a decision with regard to workplace activities, the following questions shall be taken into consideration:

1. Is this decision compliant with the company's internal rules and regulations?
2. Does this decision comply with the letter and principles of the Code of Conduct?
3. Can this decision be regarded as the most appropriate?
4. Were this decision to enter the public domain, might it in some way compromise or be prejudicial to the company's public image?



## 2. APPLICATION OF THE CODE OF CONDUCT

### **Responsibility of the company governing bodies.**

The Tenova Human Resources Division shall issue rules and procedures to ensure full implementation of the Code.

The management of Tenova shall introduce measures to guarantee that every employee, supplier, subcontractor and consultant is familiar with the Code and applies the Code in workplace activities.

The Internal Audit office shall enforce application and implementation of the Code and with the supervision of the Tenova S.p.A. Compliance Committee shall rule with regard to any question concerning the interpretation and application of the Code that cannot be satisfactorily resolved by the normal hierarchical organization of each company.

Employees who desire information in addition to that provided by their superiors may contact the Internal Audit office by sending an e-mail to: [internal.audit@techint.it](mailto:internal.audit@techint.it)



### 3. COMPLIANCE WITH THE CODE OF CONDUCT

**The directives of the Code take precedence over instructions issued by the internal hierarchy in the event of divergences.**

The Code may be freely consulted on the website: [http://www.tenovagroup.com/corporate\\_governance.php](http://www.tenovagroup.com/corporate_governance.php) and is available at the local Human Resources Division.

Activation of an employment contract with Tenova is conditional upon acceptance of the lines of conduct established in this Code of Conduct.

Application of this Code of Conduct is a personal and non-delegable responsibility of each employee. Once the employee has been informed, he shall not be able to claim ignorance of the Code or receipt of contrary instructions from whatever hierarchical level to justify non-compliance with the Code.

It is hoped that personnel will adopt a constructive attitude, avoiding passive tolerance if they encounter possible infractions and acting on their own initiative should they observe deviations in any company process with respect to the principles of the Code, and that they will not act in a passive manner with respect to situations contrary to the criteria set out in this Code.

Equally, it is hoped that each employee will cooperate with internal investigations, if so requested.

Hierarchical superiors shall not approve or tolerate breaches of the Code by their staff and should they observe violations they shall immediately report such violations to the competent company officers.

The disciplinary sanctions may lead, depending on the gravity of the breach and in compliance with current laws, to dismissal for just cause and also to legal action, which may also be initiated after dismissal.



### 4. REPORTING BREACHES OF THE CODE OF CONDUCT

**The Code regulates communications to the Internal Audit office. It envisages the possibility for persons reporting breaches to maintain anonymity and the right of defense of the personnel involved.**

Tenova shall set up a specific “Compliance Line”, run by the Internal Audit office, to reply to any query or request for clarification and to receive reports of situations or conduct in breach of the Code of Conduct.

This channel of communication shall adopt measures to prevent any form of reprisal against employees using it.

The “Compliance Line” shall operate on the basis of the procedures envisaged by the Internal Audit office, under the direct supervision of the Tenova S.p.A. Compliance Committee.

In coordination with the Internal Audit function, Tenova management shall adopt all measures necessary to ensure the confidentiality of information received, equality of treatment for persons involved in breaches of the Code and the right of defense of every employee.



## 5. GUIDELINES

### 5.1 COMPLIANCE WITH THE LAW

#### **Personnel are required to comply with current laws.**

All employees shall comply at all times with the laws in force in the countries in which they operate on behalf of Tenova. Personnel shall take all necessary precautions to ensure that Tenova is not involved in unlawful activities.

### 5.2 TRANSPARENT MANAGEMENT

#### **Information shall be accurate and decisions shall comply with the transparency requirement.**

Employees shall adopt all procedures necessary to ensure the transparency of information and decisions. For operating purposes, information shall be considered transparent when it is an exact reflection of reality.

A decision is considered transparent when it satisfies all the following requirements:

1. it has been taken with the approval of an appropriate hierarchical level;
2. it is based on a rational analysis of risks;
3. its grounds can be traced;
4. it puts the interests of the company before any other type of interest.



### 5.3 CONFLICTS OF INTEREST AND OBLIGATION OF LOYALTY AND NON-COMPETITION

#### **Conflicts of interest shall be made known.**

A real or potential conflict of interests exists when a relationship between an employee and a third party could prove prejudicial to the interests of the company.

All employees, in their dealings with customers, suppliers, contractors and competitors, shall put the interests of the company before any other situation that could bring a real or potential personal benefit for themselves or for their family members or for their partners (where partners shall signify parties who have an entrepreneurial relationship with the employee on a contractual or associative basis).

Conflicts of interest involving Tenova personnel shall be reported in writing. The report in question shall be signed and renewed, as envisaged in the company document "Transparency Guidelines".



#### 5.4 GIFTS AND OTHER FORMS OF GRATUITY

##### **Acceptance of gifts is limited.**

Employees may accept gifts or other forms of gratuity only if of a modest value and in any case such as not to be interpreted by an impartial observer as a tool to obtain undue advantages.

Each subsidiary shall define in greater detail, in connection with the Transparency Policy, the economic limits with which employees shall be required to comply in accepting gifts and other forms of gratuity.

Employees who receive gratuities or favorable treatment that are not directly equivalent to normal courtesies shall request instructions from their superiors concerning the destination of the gratuities in question.

In no case shall gifts in the form of cash or goods easily converted into cash be accepted.

Attendance upon invitation at events, conferences, conventions, sales presentations or technical courses relating to the employee's professional activities must be authorized by the employee's superiors.

The restrictions on receipt of gifts also apply to employees' family members or partners (where partners shall signify parties who have an entrepreneurial relationship with the employee on a contractual or associative basis).



#### 5.5 USE OF COMPANY ASSETS

##### **Use of assets shall be prudent and responsible.**

Personnel shall guarantee correct use of company assets, ensuring that assets are used for appropriate purposes by duly authorized persons.

In compliance with the laws in force in each country, employees are responsible for protecting company assets and any other tangible or intangible property of the company against unauthorized use, abuse of trust, damage, or loss due to inexperience, negligence or malice.

#### 5.6 PROTECTION OF COMPANY INFORMATION

##### **Company information shall be accessible to authorized personnel only and shall be protected against undue divulgence.**

Only persons with express authorization from the company shall have access to the company's internal information in paper-based form or on magnetic, electronic or optical media, and such information shall be used only for the purposes and for the periods specified in the relevant authorizations.

Passwords are equivalent to employees' signatures, they shall be known only to their respective holders and shall not be divulged to third parties.

Employees shall be directly responsible for taking all measures necessary to protect the company information at their disposal from the risk of damage or loss and shall ensure the custody of such information for the period of time established by law and by internal regulations.



**CONFIDENTIALITY OF COMPANY INFORMATION****Company information that may not be legally divulged shall be treated as confidential.**

Employees shall safeguard the confidential nature of information to which they have had access in the performance of their duties, even if such information is not specifically classified as confidential and does not specifically concern the company, but customers, competitors, suppliers, markets and public bodies, connected to the operations of the company.

Non-compliance with the confidentiality requirement shall constitute a serious breach if it implies divulgence or creates an opportunity for divulgence of confidential information relating to the decisions and operations of the company.

Information shall be held confidential in compliance with the laws ruling in each country until it enters the public domain.

The Internal Audit office is empowered to verify the company's information flows.

The Internal Audit office is empowered to monitor information flows, the archives and any other company documentation in order to verify compliance with this Code and to safeguard the interests of Tenova.

The above shall be in compliance with the laws ruling in each country and in particular with protection of privacy rights.

**USE OF INSIDER INFORMATION****Use of insider information is strictly forbidden.**

No employee shall purchase, sell or conduct any other transaction on the financial instruments of Tenova or of any other company that has dealings with Tenova, in the event that they enter into possession of insider information.

Furthermore, employees shall not divulge to third parties, directly or indirectly, significant information not in the public domain concerning their company or any other company to which they have had access in the performance of their professional duties.

Violation of the dispositions of this article shall lead to legal action against the employees involved in addition to application of the disciplinary sanctions that may be envisaged by the law in each country.

Employees who invest in securities shall obtain information on the laws that restrict the possibility for them to trade securities or supply insider information to third parties.



## 5.9 USE OF TECHNOLOGICAL RESOURCES

**Hardware and software shall be used only for company purposes or for other expressly authorized purposes. Use of unlicensed software is strictly prohibited.**

Employees shall not use technological equipment, systems and devices for purposes other than those expressly authorized by the company.

Use of software programs that do not comply with the official company standards is not allowed, except when authorized in writing by the relevant technical offices. Employees shall not introduce illegal copies of software into the company IT system.

Employees using technological resources must be made familiar with the restrictions on their use and shall work in a manner that does not violate user licenses or commit acts for which the company would be held liable.

Technological resources shall be used in compliance with current laws and with the procedures and operating rules established by the relevant departments of each company.

## 5.10 INTELLECTUAL PROPERTY RIGHTS

**Ownership of intellectual property developed in the workplace is reserved for the company.**

Intellectual property rights arising from inventions developed in the workplace belong to the company who shall retain the right to use such inventions in the manner and times it considers appropriate, in compliance with law.

Ownership of intellectual property also covers projects, systems, procedures, methodologies, studies, reports, projections and any other activities developed by the company or on behalf of the company.



## 5.11 INTERNAL CONTROLS

**All employees, within the sphere of their respective functions, shall be responsible for the implementation and correct functioning of internal controls.**

It is Tenova policy to divulge, at every level, a culture based on awareness of the existence of controls and a proactive attitude to such controls. A positive attitude to such controls shall be developed in order to improve their efficiency.

Internal controls are all those instruments necessary or useful to direct, manage or verify company activities; their purpose is to ensure compliance with company standards and procedures, to protect company assets, to manage operations efficiently and to establish an accurate and complete accounting system.

Responsibility for implementation of an efficient internal control system is the duty of all organizational levels; therefore all Tenova employees, within the sphere of their respective functions, shall be responsible for the definition and correct functioning of internal controls.



**COMMERCIAL INCENTIVES****Commercial incentives shall be compatible with current industry standards and practice.**

Recognition of any commission, discount, credit and allowance shall be compliant with current standards and granted officially to legally recognized organizations upon presentation of related documentation.

In addition to the requirements of the above principles, any commercial incentive shall be aligned with standard industry practice, shall not exceed the allowed values and shall be approved and recorded in compliance with internal regulations.

Relations with customers, in the public and the private sectors, shall be based on a sense of responsibility, correct commercial conduct and spirit of cooperation.

Gifts, acts of courtesy and hospitality shall be permissible when of a modest value and compatible with the laws ruling in each country, and in any case such as not to compromise the integrity or reputation of any of the parties or to be interpreted by an impartial observer as being designed to gain undue advantage. In all cases, this type of expense shall be authorized by the persons indicated in the relevant procedure and adequately documented.

**WORKPLACE****Tenova prohibits discrimination in treatment of personnel.**

Any person may apply for recruitment by Tenova or be taken into consideration for a new position exclusively on the basis of the requirements of the company and criteria of merit, without arbitrary discrimination.

All employees, at every level, shall cooperate in maintaining a climate of mutual respect for personal differences.

**Tenova promotes a respectful, healthy and safe workplace.**

In compliance with the laws in each country and the focus on ensuring workplace health and safety, Tenova undertakes to guarantee effective workplace management in terms of health and safety, through monitoring, management and prevention of risks in the performance of professional duties.

**RELATIONS WITH THE COMMUNITY****Tenova limits political participation in the name of the company and regulates relations with government officials.**

Employees are not authorized to give public support, in the name of the company, to political parties nor to take part in election campaigns, nor to take part in religious, ethnic, political or international conflicts.

All Tenova employees shall observe the laws and regulations that govern relations with local government officials.

**Tenova promotes respect for environmental laws.**

Respect for laws and regulations in each country also includes laws governing protection of the environment and rational use of natural resources.



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