

BUSINESS ETHICS POLICY AND PROCEDURE

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1 CODE OF ETHICS

1.1 INTRODUCTION

FG Valvole maintains that the Company Ethics is a founding and primary principle.

Each person, regardless his role within the Company, must commit himself to ensure such value is the guideline which orients his behaviours and decisions.

The absolute input is that, inspired by positive moral principles, everyone operates according to the rules:

- correctness,
- loyalty,
- reliability,
- and honesty.

FG Valvole considers these values as mandatory in its own patrimony and maintains that the strict observance of the above-mentioned principles constitutes not only a morally positive commitment, but also a fundamental richness for the company itself. In addition, it is an essential value.

For this purpose, FG Valvole has decided to adopt a Code of Ethics which, according to the principles of loyalty and honesty, is aimed to regulate, through behavioural rules, the activity of the company itself; by defining the inspiring general principles.

1.2 SCOPE OF THE CODE OF ETHICS

FG Valvole thinks, as it is said above, that the Code of Ethics must be observed by the Management, and all the Employees, Collaborators and Third Parties who work on behalf of FG Valvole, and the Company monitors about it.

The appropriate necessary information, prevention and control tools are arranged and the absolute transparency of the operations and behaviours implemented are ensured (by intervening, if required, with immediate corrective measures **to prevent fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing involving employees**). The functions of Guarantor of the Code of Ethics are assigned to the Board of Directors as shown in FG Valvole organization chart.

The FG Valvole Code of Ethics must be known by all those with whom FG Valvole has relations. Each employee and collaborator must inform the customers, suppliers and other interlocutors with whom he interacts about the occurred adoption of the Code of Ethics.

Particular care must be paid by the Persons in charge of Areas who are called to ensure that the principles expressed in the code are constantly applied and to keep a behaviour which constitutes a model for their own collaborators.

1.3 THE ETHICAL BEHAVIOURS AND THE NON-ETHICAL ONES

The strict observance

- of the Laws,
- of the Regulations,
- of the mandatory provisions,
- of the self-discipline codes,

- the morals rules,
- the correctness,
- the ethical integrity
- the complete seriousness

are some continuous and uninterrupted commitments and an absolute obligation of all the FG Valvole subjects and must characterize all their behaviors.

Each business must be carried out in a framework of:

- transparency,
- honesty,
- correctness,
- good faith
- in the full respect of the rules which protect the competition.

FG Valvole commits itself to keep and strengthen a “governance” system according to the standards of the “International Best Practice” which can manage the complexity of the situations in which FG Valvole operates and the challenges to be dealt with for the sustainable development.

FG Valvole is inspired, in its whole action, by the protection and promotion of human rights, which is the foundation for the construction of Companies and by the principles of equality, solidarity, rejection of war and it acts for the protection of the civil, political, social, economic, cultural and third-generation rights (such as self-determination, peace, development and environmental protection).

The non-ethical behaviours are those which, assumed by single persons, several people or organizations of people who operate on behalf of FG Valvole constitute any violation of the rules of civil coexistence and of the correct social and commercial relations, as they are indicated and regulated by laws and provisions **and bring to fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing involving employees**

It is not ethical to adopt any **fraud based or wrongdoing** behaviour which is in contrast with the inspiring principles of this Code of Ethics, even if the person acts in the mistaken belief to operate for the advantage and interest of FG Valvole.

The adoption of non-ethical (**fraud based or wrongdoing**) behaviours compromises the relations between FG Valvole and its own Partners, between FG Valvole and its own employees and collaborators, as well as between FG Valvole and its own institutional interlocutors, financial, public and private.

Practices of corruption, illegitimate favours, collusive behaviours, solicitations, **fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing** either direct or through third parties, of personal and career advantages for himself or others, are, with no exception, forbidden.

It is strictly forbidden to pay out and offer money and benefits of any kind to third parties, representatives of the government, public officials and public or private employees to influence or compensate a deed of their office.

It is absolutely forbidden to accept any money by people or companies who have a relation with FG Valvole or who intend to initiate a relation with it, as it may compromise the integrity and reputation of one of the two parties and may be interpreted as aimed to acquire advantages in an improper way.

Anyone who receives proposals of presents or privileged or hospitality treatments so that they do not configure as acts of simple commercial courtesy of modest value (or the request of them by third parties) must and will have to reject them in the most consistent way and immediately inform his own responsible and Board of Directors.

The ethical principles which will be indicated in this Code of Ethics are significant to prevent the criminal offences and constitute an essential element of the preventive control system.

2 MAIN PRINCIPLES

2.1 NON-DISCRIMINATION

FG Valvole avoids any discriminations in the decisions which affect the relations with its own external and internal interlocutors, based on:

- age, sex, sexual orientations, health conditions, ethnic group, nationality, political opinions and religious beliefs.

2.2 OBSERVANCE OF THE RULES

Within their professional activities, the management, employees, administrators and collaborators of FG Valvole must carefully observe the legislation in force, this Code of Ethics, the company procedures, the internal regulations and, if applicable, the rules of professional deontology. We reaffirm that, in no case, the pursuit of the Company's interest can justify any conduct in violation of such rules.

2.3 CONFLICTS OF INTEREST

In the implementation of any activity interested by the Company, the situations where the involved subjects are in conflict of interest must be always avoided and timely solved.

There is a conflict of interest when an employee, a collaborator or an administrator pursues a goal which is different from the one that is pursued by FG Valvole, when he willingly obtains or tries to obtain a personal advantage on occasion of the fulfilment of some activities performed in the Company's interest, or he provides it for third parties.

The violation of such principles will be sanctioned.

2.4 SECRECY

FG Valvole ensures the secrecy of the information in its possession and keeps from searching any reserved data, except the case of expressed and conscious authorization and however in the full observance of the legislation in force.

The employees, administrators and collaborators of the Company must uniform their behaviour to the

maximum secrecy also outside the work time, in order to protect the technical, financial, legal, administrative, personnel management know-how. All those who, due to their own management, control and service tasks, gain knowledge of confidential and crucial information, must not misuse such information privilege.

2.5 HUMAN RESOURCES VALUE

The employees and collaborators of FG Valvole are an indispensable factor for the existence of the company and its success. The dedication and professionalism of both the management and the employees are crucial and central values and conditions to pursue the purposes of FG Valvole.

For this reason FG Valvole protects:

- the value of human resources, in order to improve and increase the experience and knowledge patrimony of any employee and collaborator,
- the work conditions both protecting the psycho-physical identity of each worker and respecting his dignity.

The keeping of a serene, stimulating work environment, which is respectful for everyone's needs, is one of the fundamental principles of FG Valvole, as well as promoting a personal and professional growth policy so to ensure a career development based on the competencies, professionalism and merit.

FG Valvole commits itself to develop the capacities and competencies of both the management and the employees, so that, during their activities, everyone's creativity and energy have full space.

FG Valvole ensures an appropriate training and awareness program on the problems related to the Code of Ethics.

FG Valvole commits itself also to offer, by observing the legislation in force, all the workers the same work opportunities, so that everyone can enjoy a fair treatment in terms of regulations and payment, based only and uniquely on merit criteria, with no discrimination.

Any behaviours which constitute physical or moral violence are always forbidden, with no exception.

2.6 CORRECTNESS IN THE RELATIONS WITH THE EMPLOYEES

FG Valvole ensures that, in the hierarchical relations which are maintained with the employees, there are no occasions when the exercise of the principle of authority is harmful to the dignity and professionalism of the employee. The Company makes its own organizational choices by protecting the professional value of the employees.

2.7 PERSON INTEGRITY

FG Valvole commits itself to protect the physical and moral integrity of its employees and collaborators, ensures work conditions which are respectful of individual dignity and monitors the safety and hygiene of the work environments.

3 ETHICS IN THE RELATIONS WITH THIRD PARTIES

3.1 *AUTHORITY AND PUBLIC INSTITUTIONS*

FG Valvole cooperates actively and fully with the Authority.

FG Valvole subjects, as well as the external collaborators whose actions can be referred to FG Valvole, must have correct, transparent and traceable behaviours in the relations with the Public Administration. It is strictly forbidden to make, induce or facilitate any mendacious statements to the Authority.

3.2 *GIFTS, PRESENTS AND BENEFITS*

In the relations with the officials of Public Institutions, Public Officials and the Representatives of Public Services, it is strictly forbidden that the administrators, auditors, employees and collaborators of the Company give or promise money or any benefit.

Such prohibition is valid both in the case in which the behaviour is performed in the exclusive interest of the acting subject, and it is performed with the purpose to illicitly provide any advantage to the Company.

The administrators, auditors, employees, and collaborators must not accept any gifts, services, presents or benefits in any form (except the case in which these are of modest value and are part of the ordinary custom and habits, for example pens, shirts and caps), which may affect the actions to be undertaken in the implementation of their working tasks.

What is indicated above cannot be eluded by recurring to third parties.

3.3 *ECONOMIC RELATIONS WITH POLITICAL ORGANIZATIONS AND LABOUR UNIONS*

FG Valvole does not pay any contributions, direct or indirect, in any form, to:

- Parties,
- Movements,
- Committees,
- Political Organization of any kind,
- Labour Unions of any kind,
- to their representatives or candidates.

FG Valvole keeps from taking any initiatives which may constitute directly or indirectly some forms of illegal pressure towards political or labour representatives, that is Political organizations and labour unions.

3.4 *RELATIONS WITH THE CUSTOMERS AND SUPPLIERS*

FG Valvole pursues the company success on the markets through the offer of quality products at competitive conditions and in compliance with all the regulations which protect the loyal competition.

The purchase of goods and services must be carried out with the purpose of a maximum competitive advantage for FG Valvole, but considering also the equal opportunities for the suppliers and ensuring the maximum transparency of the selection process of them.

In the choice of its own suppliers it considers, in addition to the economic benefit, also the technical/economic capacity of its own contractors by evaluating their overall reliability with reference to the specific performances to be carried out.

FG Valvole and its employees and collaborators commit themselves to prearrange all the necessary procedures and measures to ensure the maximum efficiency and transparency of the purchasing process.

3.5 EXPENSES DURING CUSTOMER VISITS

In accordance with the principles of business ethics, it is expressly forbidden to offer to customers any benefit during their visits in FG Valvole, in order to gain undue advantage conditions to the company.

No gifts (except of authentic modest value) are allowed, and the expenses that will support FG Valvole on such occasions should be suitably budgeted and authorized; the congruence and correspondence to the same estimates must be duly verified.

FG rules regarding Expenses specifically acts as an additional safeguard in the management of expenses and costs both during trips by FG Valvole staff and customer visits in FG Valvole.

3.6 COMPETITION AND ANTITRUST

FG Valvole and its collaborators must observe the principles and the rules of the free competition and must not violate the Competition and antitrust law.

4 ETHICS IN THE RELATIONS WITH THE EMPLOYEES

4.1 PERSONNEL SELECTION

The evaluation of the personnel to be hired is carried out, as indicated in the specific company regulations, according to the compliance of the candidates' profiles to the company needs, ensuring the equal opportunities for all the interested subjects.

The required information is strictly related to the verification of the aspects required by the professional and psycho-aptitude profile, respecting the private sphere and the opinions of the candidate.

FG Valvole within the limits of the available information, adopts appropriate measures in order to avoid any favouritism, nepotism, or forms of cronyism in the personnel selection and hiring phase.

4.2 ESTABLISHMENT OF THE WORK RELATION

The personnel is hired with a work contract in the ways which are indicated by the law and the collective contract in force.

Any irregular work positions are forbidden.

Before establishing the work relation each employee receives appropriate information related to the

normative and payment contents of the relation so that the acceptance of the position is based on the actual knowledge of it.

4.3 PERSONNEL MANAGEMENT

FG Valvole avoids any form of discrimination towards its own employees.

Within the personnel management processes, the undertaken decisions are based on the compliance of the employees' profiles to the company's needs, as well as on merit considerations.

4.4 HEALTH AND SAFETY AND ENVIRONMENTAL PROTECTION

FG Valvole commits itself to protect, especially through preventive measures, the health and safety of its workers, by observing the legislation in force.

All the personnel of FG Valvole must actively contribute to the preservation of a high and optimal company safety standard, keeping from implementing illegal behaviours or any actions which may be dangerous and signalling any violations.

All the people of FG Valvole must contribute to the promotion and preservation of a climate of reciprocal respect in the work environment.

Being under the effect of alcohol substances, drugs or substances with an analogous effect during the work activity will be considered as a conscious assumption of the risk of compromising what is indicated above.

The states of alcohol dependence, if they affect the work environment, will be considered, also for the contractual effects, like the previous ones.

However it is strictly forbidden to keep, consume, offer or give drugs (or substances with an analogous effect) during the work performance and in the work places.

It is strictly forbidden to smoke in the work places. FG Valvole besides identifying any smoker-reserved areas, will take account of the conditions of those who feel physical discomfort due to the presence of smoke in the situations of working coexistence and ask not being subject to the so-called "passive smoke" at their own work places.

4.5 PRIVACY PROTECTION

The employee's privacy is protected by adopting all the measures and protections for the treatment and conservation of the information indicated by the legislation in force.

Any survey on the employees' ideas, preferences, personal tastes and, in general, their private lives, is forbidden.

4.6 PERSON INTEGRITY AND PROTECTION

FG Valvole commits itself to protect the physical integrity and the moral profile of the employees and to ensure the right of working conditions which are respectful of the person's dignity.

For this reason the Company protects the workers against any acts of psychological violence and contrasts any oppressing attitude or behaviour or any actions which may be harmful to the person, his convictions and his preferences.

FG Valvole requires that, in the internal and external work relations, there is no behaviour which may

be defined as mobbing practices, all of which are strictly forbidden.

Any forms of violence or sexual harassment or any violence referred to the personal and cultural differences are forbidden. Some examples of these situations are the following ones:

- subordinate any type of decision for the working life of the addressee to the acceptance of favours of sexual nature,
- induce the collaborators to sexual favours through the influence of his own role,
- propose any private interpersonal relations, despite an expressed clear non-appreciation,
- allude to physical or psychical disabilities and disablement or to forms of cultural diversities, sexual orientation or religion.

4.7 WHISTLEBLOWING AND WHISTLE-BLOWER PROTECTION FROM RETALIATION

FG Valvole consider the whistleblowing an add value for ethic misconduct (**fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing**) to immediately promptly arise. It is important that an employee's concerns about illegal or unethical activities can be raised without fear of victimisation or reprisal. FG Valvole encourage employees to report suspected wrong-doing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected. FG Valvole to reassure employees that they are able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

FG gives always protection and support for whistle-blower people who report a Wrong-Doing It is understandable that whistle-blowers are sometimes worried about possible repercussions. FG Valvole aims to encourage openness and will support staff whom raise genuine concerns under this policy and procedure, even if they turn out to be mistaken. Staff must not suffer any detrimental treatment as a result of raising a concern in the public interest. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Staff must not threaten or retaliate against whistle-blowers in any way.

FG Valvole employees who will be responsible of retaliation against whistle-blower must be sanctioned.

5 ETHICS OF THE RELATIONS OF THE EMPLOYEES AND COLLABORATORS WITH THE COMPANY

In addition to the obligations and provisions of the legislation and the individual and collective contracts in force, every employee and collaborator must avoid any behaviours which may be in contrast with the company ethics (**fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing**), as it is identified in this Procedure, which reflect on the reputation and the Company.

6 INFORMATION MANAGEMENT AND CONFLICT OF INTERESTS

The information of FG Valvole are accessible only by the authorized personnel and are protected against illegal dissemination; only the people which are expressly authorized by the Company can access the internal information and must observe the Company Operation Instructions.

Each employee and collaborator must avoid any situations in which some conflict of interests can occur and must keep from obtaining any personal benefit of business opportunity of which he gained knowledge during the implementation of his own activities.

7 IMPLEMENTATION MODALITIES OF THE CODE OF ETHICS

7.1 COMMUNICATION AND TRAINING PERIOD FOR THE CODE OF ETHICS

FG Valvole commits itself to spread its own Code of Ethics, by using all the means of communication and the available opportunities such as the information and company training meetings.

The employees and collaborators must be aware of the Code of Ethics, know its contents and observe what is indicated in it.

The management, has the responsibility to include the contents of the Ethics Code Procedure in the training programs.

The training must be carried out on each person at the time of hiring and the degree of knowledge ethical code verified for all employees at least one time for year.

7.2 VIGILANCE ON THE OBSERVANCE FOR THE CODE OF ETHICS

FG Valvole commits itself to promote an appropriate internal control system with the purpose to ensure the observance of the laws and the Code of Ethics **to avoid fraud, suspected fraud, or other wrongdoing, or suspected wrongdoing.**

In any case the Board of Directors will have the task to monitor that the addresses observe the regulations indicated in the Code of Ethics which is contained in the organization of FG Valvole. This Board of Directors must also represent an important reference for the employees and for all those who may found themselves in the situation of verifying a failed conformity.

The Board of Directors must periodically meet to verify the fulfilment of the internal rules.

7.3 PROCEDURE FOR REPORTING NONCOMPLIANCE AND CODE OF ETHICS VIOLATION

All the involved figures must promptly refer in a reserved way about any violation of the ethical code to their superiors and to the Board of Directors through the following e-mail address:

ethichs@fgvalvole.com. Any notification must be carried out in a detailed way and will be managed in a reserved way so to avoid any form of retaliation.

7.3.1 RECORD KEEPING

All the reports of violation or noncompliance shall be kept in FG Valvole Business Ethics events register and used from Borad of Directors for actions. A detailed violation list must be traceable through Board of Directors.

8 CODE OF ETHICS VALUE AND CONSEQUENCES FOR VIOLATING

The observance of the rules of the Code of Ethics must be considered as an essential part of the contractual obligations of all the people who work with FG Valvole.

FG Valvole can adopt, towards the subject who behaves in a way which is not compliant with the Code of Ethics, any disciplinary measures according to what is indicated by the CCNL of the related sector, including, in the most serious hypotheses, the rescission of the contract,

8.1 *PERSONEEL CONSEQUENCES FOR ETHICAL MISCONDUCT*

Based on gravity of the violation made by employees the Board of Directors may adopt the following sanctions:

- 1 – Verbal Warning
- 2 - Written Warning
- 3 – Suspension from work
- 4 – Redundance

8.2 *PERSONEEL CONSEQUENCES FOR RETALIATION*

Based on gravity of the violation made by employees the Board of Directors may adopt the following sanctions:

- 1 –Written Warning
- 2 – Suspension from work
- 3 - Redundance