

Code of Ethics



**CODE OF ETHICS  
2010**

“... when men follow reason, everybody benefits”  
Benedetto Spinoza

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## **FOREWORD**

Following the coming into force of the Legislative Decree no. 231 of 2001 (and subsequent additions) which introduced into Italian law the administrative/penal responsibility of corporations in cases in which its employees or senior management commit crimes identified by the same law, this Code of Ethics was drawn up and compliance with it is of fundamental importance for the sound operation, reliability, and reputation of **api**, as well as to avoid any involvement on the part of **api** itself in any penally significant conduct by its own employees.

All **api**'s activities must be carried out, in compliance with the law, with honesty, integrity, good faith, and in the respect of the rights of third parties, employees, shareholders, commercial and financial partners and generally of anyone who is involved in **api**'s activities. Everyone who works in **api**, without exception, is committed to complying with and ensuring the compliance of others with these principles as part of their duties and responsibilities.

**In no way may the belief of acting in the interests and/or to the advantage of api justify conduct contrary to these principles or to the rules of ethics set out below as well as to the procedures which govern all business activities.**

Therefore, **api** employees, besides fulfilling their duties of loyalty, integrity and compliance with their labour contract in good faith, must abstain from actions which disregard the rules of ethics, company procedures and in general legal provisions and must follow the precepts of this Code of Ethics.

## SECT. I – THE CODE OF ETHICS: PRINCIPLES AND SCOPE OF APPLICATION

In this Code the following expressions will have the meaning hereby attributed to them:

<b>Expressions</b>	<b>Meaning</b>
<i>api</i>	The acronym <b>api</b> identifies each company which belongs to the <b>api Group</b> as well as the Group as a whole;
<i>Group</i>	The term group indicates the collection of companies over which apiholding spa (the so-called parent company) exercises management and coordination, including through the direct and indirect control of the same companies.
<i>Employees.</i>	The term employees indicates all employees of api wherever they operate and are located;
<i>Third parties.</i>	The term third parties indicates all the third parties who, for whatever reason, undertake work, including occasional work, at <b>api</b> as trainees, temporary workers, consultants, brokers and other self-employed collaborators as well as all those who sign contracts with <b>api</b> (for example tender contracts for work, services, and supply, etc.);
<i>Code.</i>	Indicates this document;
<i>Control body</i>	It is a supervisory body set up at each company in the <b>api</b> Group with the task of controlling the functioning and compliance with this Code and with company procedures;
<i>Managers.</i>	All those who have senior management responsibilities of direction and coordination as part of company structures (departments,, divisions and areas);
<i>Internal procedure.</i>	The term indicates the collection of procedures which regulate <b>api's</b> activities;
<i>Rules of ethics.</i>	These are the rules contained in this Code.

## 1.1 THE ADDRESSEES OF THE RULES OF ETHICS

### **api STAFF**

The rules of ethics apply without exception to all api staff, wherever they operate and/or are located.

### **THIRD PARTIES**

**api** demands respect of the Code of Ethics also by all third parties.

The **api** management and generally all employees, depending on their particular duties, are required to:

- inform third parties of the commitments and obligations imposed by the Code, by means of the delivery of a copy of the Code evidenced by the signing of the letter of commitment;
- demand that individuals and corporations comply with the rules of the Code of Ethics;
- terminate contracts with third parties that, in carrying out their activities, have not complied with the rules of ethics.

## 1.2 OBLIGATIONS FOR EMPLOYEES

**api's** essential principle is respect of the laws and regulations in force in all the countries where it operates.

All employees are required to comply with these laws and regulations.

They are also required to know the rules contained in the Code and the procedures which govern the work undertaken as part of their function.

In addition, in carrying out their activities, all employees are required to carefully read and apply the company procedures arranged for this purpose.

Should an employee require clarification on the criteria for applying these procedures and/or the rules of ethics contained in this Code, they must ask their manager and/or the department which oversees company procedures and/or a lawyer belonging to their department of the **api** Group company and/or the control body.

All api employees wherever they are located and operating, are obliged to:

- refrain from conduct contrary to the rules of ethics and/or the procedures governing **api** activities;
- promptly report any personal suspicion or any suspicion which other colleagues may have, regarding possible violations of a rule of the Code, or regarding any requests which seem contrary to these rules; it is essential that the employee promptly notifies, using the procedure described in paragraph 1.8, any infraction of an ethical provision and/or internal procedure of which they are directly or indirectly aware;

- report any request put to them to violate the rules of ethics;
- cooperate with internal investigations conducted by **api** on matters governed by the rules of ethics.

**No api employee, at any level, is authorised to take action against anyone who has reported or cooperated in resolving matters concerning respect of the rules of ethics and of the company procedures.**

### **1.3 OBLIGATIONS FOR MANAGERS**

Every manager is required to:

- be a role model for their employees in terms of their personal ethics;
- direct employees to compliance with the Code and encourage them to raise problems and issues regarding any infraction of the rules of ethics and/or of the internal procedures;
- encourage employees to report any failings in the Code and procedures by welcoming all constructive contributions which employees might give in order to improve the contents of the Code and procedures. The Code and the internal procedures are dynamic tools which are continually evolving and so can always be improved;
- ensure that employees understand that respect of the rules of the Code is an essential part of the quality of their service and that therefore all operations and negotiations and, in general, the conduct adopted by employees in carrying out their work must be undertaken, not only with the due respect for the law and the provisions in force, but also in compliance with the rules envisaged in the Code;
- include in their own assessment of employees what these employees have done or said to promote and observe the rules of ethics and the internal procedures, so that the employees themselves understand that **api** considers respect of the rules of ethics and the internal procedures as part of their work performance.

Managers are also required to:

- carefully select employees and external partners to prevent tasks being assigned to people who do not inspire full confidence in their commitment to comply with the rules of the Code;
- promptly inform a lawyer in the related department of the company or the control body of their own findings or reports from employees regarding possible violations of the rules of ethics;

- prevent any type of reprisal against anyone providing information on the violation of rules of ethics and/or internal procedures or anyone cooperating in the investigations carried out for this purpose.

**All managers are required to verify the adequacy of the rules of ethics and the internal procedures and their correspondence to any changes in the company situation and to prepare a report with the results of this verification. This must be sent to the control body on a half yearly basis from the date of the public display of this Code.**

#### **1.4 OBLIGATIONS FOR THIRD PARTIES**

**api's** essential principle is respect of laws and regulations as well as of the rules of ethics contained in this Code, also by third parties that are required to read the rules carefully and to apply them, in carrying out their activities and/or in executing the contracts signed with **api**. If they fail to do so, as a means of sanction against a third party which defaults on this obligation, **api** will enforce the termination clause included in the contracts signed with the third parties in question.

## 1.5 api's OBLIGATIONS

api agrees to:

- enhance and update the Code and the internal procedures in order to adjust them to corporate changes and risk areas in light of the relevant legislation in force;
- make available all possible tools to provide information and clarification on the interpretation and implementation of the rules contained in the Code;
- undertake investigations and checks on any reports of violations of the rules of ethics and/or of the procedures governing corporate activities;
- adopt adequate disciplinary measures once infractions of the rules of ethics and of the internal procedures have been verified;
- prevent anyone suffering reprisals of any kind after reporting on possible violations of the Code and/or of the internal procedures;
- ensure the widest possible dissemination of the Code through the following channels:
  - 1) print dissemination through delivery of a copy of the Code to all employees and third parties;
  - 2) preparation of a constantly updated version of the Code accessible to everyone through the websites of companies in **api**;
  - 3) dissemination through house organs;
  - 4) public display of the Code;
  - 5) organisation of seminars, in other words information/training sessions including via IT systems and tools.

## **1.6 CONTRACTUAL VALUE OF THE CODE AND DISCIPLINARY SANCTIONS APPLICABLE IN THE CASE OF VIOLATION OF THE RULES OF ETHICS AND/OR OF THE INTERNAL PROCEDURES**

Compliance with the rules of this Code must be considered an essential part of the contractual obligations of **api** employees pursuant to and in application of art. 2104 of the Civil Code.

Violation of the rules of ethics and/or of the internal procedures represents **non-fulfilment of the primary obligations of the employment relationship** with all the legal consequences regarding continuing employment and without prejudice to compensation for the damage caused to **api**.

The violation of a rule and/or a procedure may also represent a **penal crime**. Violating an internal rule means violating the law and incurring penal (fines or prison sentences) or civil (compensation for damages or pecuniary sentences) sanctions which may affect the employee and the company itself.

Therefore, any employee who violates the spirit or the letter of the rules of ethics and/or of the procedures governing **api's** activities, is subject to disciplinary assessment by the employer, in compliance with the collective contract and/or with the Civil Code and based on the following principles:

### **Principle of the type of violation and sanction.**

The disciplinary provision applied is envisaged by the collective labour contract and/or by the Civil Code.

### **Principle of the independence and immediacy of the sanction.**

Given the independent nature of violation of the Code of Ethics and of the internal procedures compared to legal violation which entails the committing of a crime, the disciplinary assessment of conduct undertaken by the employer need not coincide with the assessment of the judge in the penal case, and therefore the employer may apply disciplinary provisions such as a verbal warning, a written warning, suspension and dismissal, without awaiting the end of the penal process against the employee, and also without awaiting the start of a penal trial.

By way of example, we list the following forms of conduct which may be subject to disciplinary measures:

- actions which violate rules of ethics;
- actions which violate procedures;
- asking others to violate a rule of ethics;

- failing to report actual or suspected violations of an ethical provision and/or of a procedure;
- reprisals against an employee or a third party who has raised doubts about issues relating to the infraction of an ethical provision and/or a procedure.

## **1.7 DISCIPLINARY PROVISIONS**

Conduct contrary to the rules of ethics as set out in this code, to company procedures and regulations, to delegated powers and to any other matter envisaged by the organisational model, will be punished, depending on its seriousness or frequency, with the provisions listed below for the various types of subject.

The application of disciplinary sanctions is separate from the outcome of any penal proceeding, since disciplinary and penal actions are, in legal terms, considered as autonomous and independent.

### **Measures against employees and similar workers**

The disciplinary provisions which may be adopted against employees as well as for other workers who are by law assimilated to the latter, are those set out in the collective national labour contract (CCNL), applicable in the particular sector and to which reference is expressly made for the actual procedures for application of the aforementioned disciplinary provisions. Each Group company adopts, within its own organisation, management and control model, the disciplinary system which can be applied for these workers in accordance with the aforementioned CCNL.

### **Measures against managers**

In the case of violation by managers of the rules of ethics as set out in this code, of the procedures and company regulations, of the delegated powers and anything else envisaged by the organisational model, the sanctions envisaged by the National Collective Contract are applied.

Each Group company adopts, within its own organisation, management and control model, the disciplinary system which can be applied to managers in accordance with the aforementioned National Collective Contract, proceeding to the immediate termination of the employment relationship where the basis of trust with the company is compromised.

### **Measures against directors.**

In the case of violation by one or more members of the Board of Directors of the rules of ethics as set out in this code, of the company procedures and regulations, of the delegated powers and any other matter envisaged by the organisational model, the Supervisory Board

informs the Board of Statutory Auditors and the Chairman of the Board of Directors. At the request of the latter or of the Board of Statutory Auditors, the Board of Directors is responsible for passing the necessary resolutions – with the person concerned abstaining – to arrange the checks which are considered necessary and opportune and, after consulting the Board of Statutory Auditors, to approve the related orders, including precautionary withdrawal of the delegated powers as well as calling the Shareholders' meeting to arrange possible replacement of the director involved.

#### **Measures against auditors.**

In the case of violation by one or more members of the Board of Statutory Auditors of the rules of ethics as set out in this code, of the company procedures and regulations, of the delegated powers and any other matter envisaged by the organisational model, the Supervisory Board informs the Chairman of the Board of Statutory Auditors and the Board of Directors which, in its turn, may call the Shareholders' meeting. The Board of Statutory Auditors, with the abstention of the person concerned, proceeds with the necessary checks and, after consulting the Board of Directors, takes the related provisions.

#### **Measures against consultants and suppliers**

Any conduct by consultants and/or suppliers in violation of the rules of ethics, of the company procedures and regulations which might entail the risk of committing a crime or illegal act, including of an administrative nature, causes, in accordance with the provisions of the related contractual discipline and in any case on the basis of the rules of the Civil Code or other applicable special laws, the immediate termination of the contract itself and the application of all other contractual sanctions which are envisaged, without prejudice to the request for compensation for damages.

### **1.8 HOW TO RAISE DOUBTS ABOUT THE INFRACTION OF A RULE OF ETHICS AND/OR OF A PROCEDURE**

All api employees are required not only to report the violation of an ethical provision or of an internal procedure or of the law in general, but also anything else which, in each person's assessment, seems reasonable to consider as a violation.

In fact the company demands that its employees, should reasonable doubts arise about compliance with the rules of ethics, promptly report such doubt using the procedure described below so as to prevent and/or hold in check the undertaking of dangerous conduct or conduct which is penally relevant in order to safeguard the perpetrator of the violation, the company, and therefore themselves from any serious damage which may arise from these violations.

In fact the inaction, reticence or mendacity of an employee who is aware of conduct, acts or facts regarding the violation of rules of ethics and/or more generally of the law, could entail serious consequences both for the perpetrator of the violation and for the company, for example:

**For the perpetrator of the violation:**

- prison sentence and/or pecuniary penalties (sanction or fine) arising from final court sentences confirming the commission of a crime;
- obligation to compensate the pecuniary and non-pecuniary damage caused to the company or to third parties;
- subjection to the disciplinary provisions envisaged by the law or by the collective contract.

**For the company:**

- prohibitory sanctions, for example temporary suspension of business;
- in the most serious cases, total inhibition from undertaking its business, by definitive withdrawal of its authorisations and concessions;
- ban on dealing with the public administration;
- pecuniary sentences.

***api has set up a precise procedure which every employee is required to use to notify any violations of the rules of ethics, internal procedures, and legal rules in general:***



***Reporting to direct manager.***

A person who has management responsibilities in terms of directing and coordinating as part of the company structures (divisions, departments and areas) is the person best placed to quickly resolve a problem.



***Should they not be available, or should your request not be addressed*** turn to a ***lawyer*** of the company or directly ***to the control body.***

Every employee has the possibility of raising an issue verbally or in writing.

Raising a matter openly means enabling a rapid solution to problems and it is essential in order to prevent or hold in check the violation of rules of ethics or internal procedures and therefore the consummation of crimes.

Individual Group companies have the option of setting up “dedicated information channels” to facilitate anonymous reporting; once set up, these channels must be broadly disseminated by each company belonging to the **api** Group.

## 1.9 WHAT HAPPENS WHEN A REPORT IS MADE ABOUT CONDUCT, ACTIONS OR FACTS REGARDING THE INFRACTION OF RULES OF ETHICS AND/OR INTERNAL PROCEDURES

The control body will carry out **an examination** which will be followed



by an **investigation**, undertaken by the same body as a result of which:



The disciplinary measures to be adopted may be established as well as any procedures to be improved



.It may be arranged to archive the case.

- The reporting of violations of rules of ethics and/or of procedures must be managed in complete confidence, and in complete protection of the anonymity of the person who has reported the case.
- The control body is required to adequately justify any refusal to open an investigation.
- The control body is also required to justify any decision to archive the case which is taken at the end of the investigation stage should the responsibility of the employee against whom the investigation was directed not be proved to exist.

## **SECT. II RULES OF ETHICS**

*Conduct which complies with the rules of ethics and in general with the law contributes to, and is sometimes decisive, in making the company's actions a success.*

*Ethically unimpeachable conduct assists **api** in producing quality goods and services, keeps its dealings with customers and suppliers transparent, and makes it permanently competitive on the market.*

*With the introduction into Italian law of the regulation envisaged by Legislative Decree 231/2001 and in light of the reform of corporate governance, all companies operating in Italy are required to meet the highest standards of corporate governance, which moreover have applied for some time in other European countries and in the United States and which aim to ensure increasing transparency and clarity in company business and operations. In order to fulfil the legal obligations and to satisfy the expectations of investors/shareholders and customers who require all companies to conform to these standards, **api** too has established company rules of ethics as set out below which are strongly oriented towards the governance and control of its activities and its structure.*

## **2.1 Rule A - Dealings with the public administration**

### **2.1.1 Rule A-1 Illegal payments**

**Illegal payments in dealings with the public administration are prohibited. Public Administration means any state (Ministries, Tax Offices, etc.) and local (Regions, Provinces, Town Councils) bodies which are institutionally required to look after the public interest.**

All **api** employees, at any level, wherever they operate or are located, are required to refrain from making payments to any body in order to obtain illegal benefits in representing the interests of the company with the Public Administration.

**api demands that its employees behave appropriately in dealings with the Public Administration, regardless of market competition considerations and the importance of the matter being handled.**

**api** expressly forbids acts of corruption, favouritism, collusion, and direct and/or indirect solicitations, including by promising personal gains, to any person belonging to the Public Administration.

In particular, the following conduct is expressly forbidden:

- it is not permitted to make or offer, directly or indirectly, payments and material benefits of any size to public officials or those charged with public service in order to influence or pay for an act of their office and/or the omission of an act of their office;
- it is not permitted to offer presents or other gifts which may represent forms of payment to officials or employees of the Public Administration;
- it is not permitted to accept and then satisfy requests for money, favours, and profit from individuals or corporations which intend to start business dealings with **api** as well as from any person belonging to the Public Administration.

Acts of courtesy, such as gifts, contributions or entertainment expenses are allowed when they are of modest value and, in any case, such not as to compromise the integrity or reputation of one of the parties and which cannot be interpreted by an impartial observer as aimed at unfairly acquiring an advantage.

In any case, these types of expenditure must be authorised by the people indicated in the company procedure which is arranged for this purpose, and adequately documented and must never occur in such circumstances as to give rise to suspicions of illegality.

**api** also forbids in dealings between private individuals corruption, favouritism, collusion and direct and/or indirect solicitation, including by promising personal gain.

This rule applies also against third party consultants, representatives, intermediaries and agents who represent **api** both in dealings with the Public Administration and in the private sector.

In this regard **api** forbids the appointment as its representatives of people who:

- are known as being corrupt;
- have been accused of illegal conduct in business;
- have known family or other relationships such as to be able to illegally influence the decisions of any person belonging to the Public Administration.

In order to avoid or in any case drastically hold in check the risk relating to the above conduct, each employee, depending on their own powers and functions, will be responsible for:

- observing the principles and internal procedures in recruiting external collaborators;
- selecting only those individuals or corporations which are qualified and have a good reputation;
- promptly reporting to their manager any doubts about possible violations of the Code by external collaborators;
- including in contracts with third parties the express obligation to abide by the principles of the Code of Ethics, as well as the contractual termination ipso iure to be applied against those who, in carrying out their activities, have not complied with this Code.

## **2.1.2 Rule A-2 Illegal behaviour other than payments**

**In relation to government bodies and international organisms, api demands compliance with a rigorous ethical code as well as with the laws and regulations in force, with particular reference to its own specific obligations for dealings with state, central and local (town council, province, region) administrations and with international bodies and organisms (for example the European Union).**

Dealings with public institutions aimed at protecting **api's** overall interests and connected to the implementation of its programmes, must be exclusively handled by the departments and company managers to whom such dealings are delegated and must be distinguished by compliance with these rules of ethics and with the rules of law in general.

All the information requested by and/or presented to public institutions must be true and transparent.

It is absolutely forbidden for all employees, regardless of the managerial level held, to provide the Public Administration with information and/or documents which are false or which bear witness to mistruths.

By way of example, here below are some examples of conduct covered by this ban:

- False claim of the existence of the conditions needed to participate in a tender or to obtain licences, authorisations and concessions or public funds.
- False claim of destination of financing, although legitimately received, for ends other than those which justified its supply.
- Omission of information due to public institutions.
- Altering the operating of an IT system in order to falsify data, information or documents to the damage of public institutions.

**api** is interested in outcomes but also in the way in which outcomes are achieved, and will not tolerate an employee achieving an outcome by violating this rule and/or the law in general.

## **2.2 Rule B - Accounting transparency**

**All the actions, operations, and negotiations undertaken by api are inspired by the following principles:**

- **utmost operational integrity**
- **completeness and transparency of information**
- **legitimacy from a legal and substantive standpoint**
- **clarity and truthfulness of the accounting records in accordance with the rules in force and the internal procedures.**

**api** demands from all its employees full and broad care that the operations undertaken during all its activities are correctly and promptly represented in its accounting records.

Every accounting operation must therefore be supported by suitable documentation bearing witness to the activity undertaken so as to enable:

- straightforward accounting;
- the identification of the provenance and/or of the formation of the documents;
- the accounting and mathematical reconstruction of the operations.

It is the duty of every employee involved in drawing up **api's** financial statements, also for the purposes of the consolidated financial statements and the notes, to ensure that the accounting documentation corresponds to the above principles and can be easily traced as well as being ordered in accordance with logical criteria.

The law demands the application of the principles of transparency, integrity and truthfulness to financial statements and corporate communications, **api** imposes the adoption of these principles on its employees also in order to safeguard that trust which recipients must be able to have in the truthfulness of all the information contained in these documents.

Several entries in the financial statements and in the notes require estimates (so-called evaluations). Above all in these cases it is essential that the accounting principles are complied with by whoever is involved (including third party consultants) in the process of creating these entries.

**api** demands that the inclusion in the financial statements of all entries, for example receivables, inventories, equity investments, provisions for risks and charges, is based on complete compliance with all the rules in force on financial statement preparation and evaluation.

In particular employees responsible for drawing up the year end accounting balances are required to check or encourage the checking of all the accounting operations which go towards producing those balances, also in order to reduce the possibility of mistakes in interpretation.

- **api** has also equipped itself with its own policy on ethics, the continual promotion to all its employees of compliance with the principles of transparency, integrity and truthfulness in reports and other corporate communications which are prescribed by law, and therefore anyone involved in preparing these documents is required to produce only documents and material facts which correspond to the truth and must not in any way hide and/or alter information on the company's income, equity or financial situation, the truthful and transparent communication of which is imposed by law.

For all of the above, **api** demands that also the preparation of prospectuses complies with the principles of integrity, truthfulness, and transparency of the data and information contained therein.

Prospectuses are those documents prepared for the purposes of encouraging investment in or admission to regulated markets, as well as all documents to be published during public purchase and/or exchange offers.

Since **api** has adopted this policy of ethics, which it demands complete compliance with, the application of the principles of integrity, transparency and truthfulness of the information also in regard to audit managers, and all the documents produced by them in their role as auditors and regarding the equity, income and financial situation of **api**, must be based on this principle, on the pain of the termination of the contractual relationship between the independent auditors and **api**.

## 2.3 Rule C - Internal and external controls

**api promotes among its own employees the dissemination at all levels of a culture based on the existence of internal and external controls and characterised by the awareness of each employee as to the contribution which these controls provide to improve the efficiency of all its activities. To this end it has arranged procedures aimed at encouraging and/or achieving these controls, so that in dealings with all the bodies responsible for such checks, employees adopt behaviour which is always informed by the principles of truthfulness, accuracy and completeness in exchanging information and in rigorous respect of laws and regulations.**

**Internal controls** means all the instruments arranged by **api** to direct, manage and check its activities with the aim of:

- promoting respect of laws, regulations and internal procedures;
- ensuring efficient management of these activities;
- providing accurate and complete financial and accounting data;
- exchanging correct and true information.

The responsibility for realising an effective control system is shared at every level of the organisational structure, and consequently all employees, especially senior management, are responsible for the correct functioning of the internal control system.

**Internal controls** means: controls which are legally attributed to shareholders or other corporate bodies or to the independent auditors, as well as to all supervisory public authorities. In this case **api** demands that directors, managers, auditors and receivers in communications with these public and supervisory authorities behave in a way that is based on integrity and transparency, providing complete, truthful and timely information, avoiding generic and confusing formulations.

Directors, in particular, must not in any way prevent or in any case impede the control and audit activities which are legally attributed to shareholders, other corporate bodies or to the independent auditors themselves.

By way of example, here below are some specific orders directed at all the directors of **api**:

- every director, also through their staff, is required to behave transparently in relation to the requests of the Board of Statutory Auditors, of the individual shareholders and of the independent auditors;
- every director is required to avoid purposeful or negligent conduct aimed at preventing, including only by distraction, control by the Board of Statutory Auditors or shareholders or the independent auditors.

## **2.4 Rule D - Conflict of interest**

**api** demands the most rigorous respect of the regulation which governs the conflict of interests as contained in laws and regulations.

In particular, each director is required to disclose to the other directors as well as to the Board of Statutory Auditors, any interest, on their own account or for third parties, that they may have in a particular transaction of the company on which they are called to decide. This communication must be detailed and timely, i.e. it must specify the nature, the terms, the origin and the extent of the interest; it will then fall to the Board of Directors to assess the conflict of interest in relation to the interests of the company. In the case of a conflict of interest involving the Chief Executive Officer, the latter is required to abstain from the operation on which, by virtue of their powers, they are called to decide, and to leave all assessments and decisions in this regard to the Board of Directors.

## **2.5 Rule E – Formation of the will of the shareholders’ meeting and its correct establishment**

**api** has adopted a policy of ethics which it requires all its employees to fully comply with in regard to protecting minority rights, as well as protecting the right to information on the integrity of its assets.

Therefore, it requires the shareholders’ meeting to be called within the deadlines and by the means envisaged by law. The meeting, when duly called and validly held, is the meeting of shareholders with the aim of showing the corporate will on the items indicated on the agenda. It is **api’s** policy to ensure that the will of the shareholders’ meeting as set by the majority is created with the widest possible compliance with the law and regulations.

All employees and especially senior management are responsible for the correct formation of the corporate will.

**api** demands that no employee, through simulated or fraudulent documents, influences the majority of shareholders and so falsifies the free formation of the will of the shareholders’ meeting during its deliberation.

## **2.6 Rule F - Safeguarding share capital**

**api expressly bans any employee from directly or indirectly contributing to the realisation of illicit operations on shares or quotas of the company or of the parent company.**

**api** has adopted the ethical principle of protecting the integrity of its share capital.

Therefore, it expressly forbids all employees, and in particular its directors, from purchasing or underwriting shares or quotas issued by the parent company, except for the cases allowed by law.

**api** will sanction in disciplinary terms all conduct aimed at spoiling the process of forming share capital, whoever undertakes it, for example:

- by attributing to share capital or quotas a sum lower than their par value;
- the reciprocal underwriting of shares and quotas;
- the significant over-evaluation of the transfer of assets in kind or of receivables or of the assets of the company in the case of transformation.

**api** has also adopted the ethical principle of protecting the integrity of profits and of the reserves which by law cannot be distributed; it, therefore, forbids directors from returning, even virtually, except for the cases expressly established by law, contributions to shareholders or from freeing them from the obligation of making such contributions.

## **2.7 Rule G – Safeguarding the rights of company creditors**

**api expressly forbids its employees from undertaking any operation which is prejudicial to its creditors.**

**api in fact pursues, as an ethical principle, the protection of the interest of corporate creditors in not seeing guarantees against their credit reduced.**

Therefore, it is forbidden for the directors to reduce the share capital or undertake mergers with other companies, or to realise spin-offs in order to damage creditors.

**api** requires that no employee or third party, as liquidator, harms the interests of corporate creditors also by means of undue division of corporate assets.

## **2.8 Rule H – Stock market and financial irregularities**

**api has adopted as a rule of ethics complete and unconditional respect of all the laws in force which regulate stock market and financial operations.**

Whoever within **api** as a result of their duties comes into possession of information which is for internal use only, is required to treat it in complete confidence and is forbidden from revealing it outside of their own work sphere (not even to their own family members).

Information for internal use is all that information which is not available to the public which a reasonable investor might consider important when making a decision or an investment.

This information might concern any company, including suppliers, customers or others with business dealings with **api**, and regard anything which might influence the price of a company's shares, for example a merger, a purchase, a disposal, a joint venture which has not yet been completed, the award or termination of an important contract, legal action, the announcement of profits or of a change in decisions on dividends, the presentation of a bankruptcy request.

Any confidential information which could influence decisions to make a financial investment or to buy or sell shares must, in case of doubt, be considered information reserved for internal use.

It must therefore be revealed and used only for the precise execution of one's own work duties and when there is certainty that the recipient will use it appropriately.

This rule, does not, however, aim to limit the right of employees to make legal personal investments nor the right of **api** to use or legitimately reveal, in its everyday business affairs, information reserved for internal use.

**api** requires its own employees and third parties who represent it to abstain from using the dissemination of confidential information to undertake simulated operations or any type of artifice which is in reality would:

- provoke a marked change in the price of listed or unlisted financial instruments;
- affect, by creating a false representation of reality, the trust which the public places in the asset backed stability of banks or whole banking groups.

## **2.9 Rule I - Ban on the falsification and illegal use of bank notes, legal tender, tax stamps**

**api**, which is sensitive to the need to ensure integrity and transparency in carrying out its business, requires its employees to respect the law in force on the use and circulation of currency, legal tender and tax stamps, and will therefore severely sanction any conduct aimed at the illegal use and falsification of legal tender, tax stamps, coins and bank notes.

## **2.10 Rule L - Repression of acts of terrorism and subversion of the democratic order**

**api** requires its employees to comply with all the laws and regulations which forbid the carrying out of terrorist activities as well as subversion of the democratic order. Therefore, it also forbids simply belonging to associations with these aims. It is also expressly forbidden for any employee of **api**, wherever they work or are located, to become involved in any practice or other action which may support terrorism or subversion of the law. In the case of

doubt or when a situation appears ambiguous, every employee is required to turn to their department manager or a lawyer of the company.

### **2.11 Rule M – Environmental protection**

**api** has adopted as an ethical value environmental protection and is constantly engaged in this regard, also in light of the rigorous legal discipline.

**api**, therefore, requires anyone who works for it to fully respect the wealth of the environment and of the local area.

It is absolutely forbidden to handle the disposal of waste in violation of the rules of law and of company procedures.

Intentional, reckless or negligent discharge, or in any case the abandonment of waste in the environment will be punished with the disciplinary sanctions as set out in the national collective contract.

Where, on the other hand, the conduct described is due to a person, who for some other reason is working for **api**, the sanction will consist of the contractual termination of the “*inter partes*” relationship.

### **2.12 Rule N- Protecting workers and workplace safety**

**api** traditionally counts among its ethical values protecting workers and workplace safety in full compliance with the laws in force.

**api** is therefore opposed to any use of undeclared/clandestine/child labour and recommends that this aspect is especially controlled and considered in relation to suppliers. Where suppliers do not comply with this rule of ethics, **api** will adopt as a sanction against the transgressor termination of the “*inter partes*” relationship.

The safety of workers wherever they are located and operating is a primary objective for **api** and to this end it promotes and recommends complete compliance with the rules of law and the procedures put in place to guarantee workplace safety.

### **2.13 Rule O – Use of new technologies in IT field**

**api** recommends the use of work tools with particular reference to new IT technologies (email and Internet) in complete compliance with the law and internal rules.

In fact computers (desktop or laptop) as well as the related programs and/or applications entrusted to the employee are work instruments and therefore should be used exclusively to carry out their own duties and work.

For this reason, it is necessary to promptly inform the company of the theft, damage or loss of a computer or of any other instrument related and/or similar to it.

It is permitted to install programmes which come from outside (by means of floppy discs, CD-ROM, CDs, Internet, etc.) only if expressly authorised by Information Systems; it is not permitted to use software and/or hardware which aims to intercept, falsify, alter, suppress or transmit the contents of communications and/or IT documents; it is not permitted to change the configurations imposed by Information Systems on one's own PC.

It is not permitted to install on one's own PC means of communication (for example a modem) unless expressly authorised by Information Systems.

It is not permitted to navigate the Internet except for reasons exclusively linked to carrying out one's own duties and work.

## **2.14 Rule P – Ban on collaborating with criminal associations and money-laundering**

**api** condemns and therefore expressly bans conduct which directly or even only indirectly may represent forms of collaboration with criminal associations in general and mafia style organisations. It is also forbidden to undertake any operation which may result in the use of money, assets or profits of illegal origin as well as any activity and/or form of money-laundering.

**api** condemns and bans any type of conduct which may prove to hamper justice.

It is therefore not permitted to undertake financial, corporate or credit operations in violation of the rules of law and of the company procedures which govern such operations.

**api** condemns and therefore expressly prohibits any form of association set up for the purpose of committing crime and violating rules and regulations.

**No employee, and in particular no senior manager, has the authority to approve exceptions to the rules contained in this Code.**

**In no way can the belief of acting in the interests of and/or to the advantage of api justify behaving in a way which is against all the principles set out above, since the violation of this Code is also violation of penal law and entails the application of penal sanctions against the material author of the crime, and also exposes the company to**

**the risk of undergoing a penal trial for the crime committed by the author of the violation.**

**For everything set out above, api will sanction violations of this Code of Ethics and of the internal procedures, which have caused the above conduct, or which are only abstractly related to causing such conduct, with the application of disciplinary sanctions, within the deadlines and by the means described in paragraph 1.7.**

**All employees and especially senior management (department and/or area heads, managers, directors, managing directors) are responsible for the correct and continuous application of the contents of this Code.**

### **2.15 Rule Q – Protection of human resources**

People represent the main, crucial element for the company's very existence.

The employees' dedication, professionalism and ethics represent key values and conditions for the purpose of pursuing API's interests.

Everyone is called to contribute in order to foster and maintain an atmosphere of mutual respect in the workplace, with special regard to other people's sensitivity.

The following behaviour is prohibited as it would jeopardize a safe and peaceful workplace:

- a) possessing, using, offering, selling for any reason whatsoever, narcotic and/or psychotropic and/or alcoholic substances in the workplaces.
- b) Smoking in workplaces outside of the specific smoking areas.
- c) Bringing knives or guns or similar weapons and/or explosives of any kind to the workplace.

### **2.16 Rule R – Compliance with rules of trade**

**api's** affairs must be conducted in a transparent, honest and proper fashion, in full compliance with all rules aimed at safeguarding good faith, irrespective of the importance of the issue.

Observance of rules concerning normal business practices as well as fair competition have always been crucial values within the scope of **api's** ethical heritage, consequently **api** expects that its employees exclude all behaviour aimed at violating the aforementioned rules in any way whatsoever.

**api** bars and prohibits its employees from engaging in any conduct aimed at disrupting the normal exercise of the industry and trade and/or at placing on any domestic and foreign market industrial products bearing counterfeit or altered names, brands or trademarks.

**api** also expects from its employees, operating or deployed anywhere in the world, compliance with the standards set out by lawmakers for copyright protection.

Therefore, it is forbidden, in any way and form, to reproduce, transcribe, place on the market other people's work illegally (for example without prior agreement with the author or lawful distributor or holder of the copyrights, in contempt of SIAE regulations).

All employees, and in particular those operating in the IT sector, are also expressly required to avoid any behaviour whatsoever aimed at distributing copyrighted work, even if only in part. For example purposes only, **api** expressly forbids all behaviour aimed at:

- illegally duplicating computer programmes or arranging for methods whose purpose is to remove or dodge protection devices for computer programmes,
- illegally reproducing databases, including for the purpose of selling them for any reason whatsoever.
- Reproducing / distributing authorial works, even in part, in violation of copyright regulations, phonograms, videograms, articles and/or literary works.

## **2.17 Rule S – Relationships with customers/consumers**

**api** also considers the protection of its customers/consumers to be of great value. Their full set of rights must be safeguarded by all those who work for **api**. Personnel employed by **api** are asked to co-operate in order to avoid the sale, even by mistake, of industrial products with false or counterfeit names, brands or trademarks, or products with qualitative/quantitative specifications different from the ones illustrated/guaranteed to the consumer.

**api** also prohibits behaviour aimed at the counterfeiting of patents, designs and domestic or foreign industrial models, and their use.

Indeed, the success of any business is founded on the offer of quality products and services at competitive terms in compliance with all regulations aimed at safeguarding the spirit of competition, the most important ones being:

- the duty to supply quality products capable of satisfying the consumers' expectations.

Providing accurate and comprehensive information on products and services, adhering to the principles of fairness in advertising information or information of another nature, so that customers may make knowledgeable decisions.

## **2.18 Rule T - Relationships with the judicial authority**

**api** asks all its employees to be as co-operative as possible when dealing with the judicial authority and to always make truthful statements as no business deal deserves being closed if not in full compliance with the law.

## **Annex A**

Your personal commitment to respect the spirit and letter of the Code:

With the signing of this document, I recognise that I received on ..... a copy of this Code of Ethics and I promise to respect the rules contained therein, since violation of a rule of ethics and/or an internal procedure means also violating the law and incurring penal (fines or prison sentences) or civil (compensation for damages or pecuniary sentences) sanctions which can affect the perpetrator of the violation and the company. I also recognise that the verification by the company of conduct which violated one or more rules of ethics or an internal procedure, entails the application of the disciplinary sanctions described in the Code itself. Therefore, in the case of doubt in the undertaking of an activity which may entail such violations, I will immediately consult a manager or person with management and coordination responsibility within the company structures (divisions, departments and areas) or the department which oversees company procedures (department of the company responsible for drawing up and verifying internal procedures) or a lawyer belonging to the related department of the company.

Received on.....

Read on.....

**Annex B**

**Your personal commitment to respect the spirit and letter of the Code:**

(it is directed to all those who are not employees but who represent **api** as consultants, agents, brokers, trainees, and other independent collaborators as well as all those who sign contracts with **api** such as, for example, contracts for tender, labour, services, supply, etc.).

By signing this document, I recognise that I received on ..... a copy of this Code of Ethics and I promise to respect the rules contained therein, since violation of a rule of ethics and/or an internal procedure means also violating the law and incurring penal (fines or prison sentences) or civil (compensation for damages or pecuniary sentences) sanctions which can affect the perpetrator of the violation and the company. I also recognise that the violation of a rule of this Code of Ethics entails termination ipso iure of the contract of .....signed by me with the company on .....

Received on.....

Read on.....