



# ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

## Code of Conduct

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**ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL  
Code of Conduct**



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## **1. DEFINITIONS**

**PL Italy:** the terms "PL Italy" and "Company" are used throughout the text and both refer to Petronas Lubricants Italy S.p.A.

**Code of Conduct:** the term "Code of Conduct" (and its acronym, "CoC") refers to the present document and its annexes. The CoC lays down the principles at the heart of the Company's approach and the general rules of conduct that the Addressees and Third Party Addressees must comply with. It constitutes an integral part of the Model adopted by the Company in compliance with Legislative Decree no. 231 of 8 June 2001.

**CoBE:** the term "CoBE" refers to the code of conduct and commercial ethics of the PETRONAS Group, a general point of reference in all countries where the PETRONAS Group operates, as supplemented by the Italian country supplement. The CoBE contains the general rules of conduct and commercial ethics that all subjects to which they apply are required to respect. Although the CoBE and CoC are both binding on those subjects to which they apply, the CoBE remains an independent document and is not part of the Model.

**Decree:** the term "Decree" refers to Legislative Decree no. 231 of 8 June 2001 as subsequently modified and supplemented, regarding the administrative responsibilities of legal persons, companies and associations, including those lacking legal personality, in compliance with article 11 of law no. 300 of 29 September 2000.

**Model:** the term "Model" refers to the organisational, management and control model adopted by the Company in compliance with articles 6 and 7 of the Decree.

**Addressees:** the term "Addressees" refers to subjects to which the CoC is applicable i.e. all those who carry out, on the basis of a formal or only de facto qualification, management, administration or control activities within the Company and all those who are subject to the management and supervision of the former, as employees, consultants, agents, brokers and, in general, all third parties that carry out on behalf of the Company activities that are potentially exposed to risk due to persons perpetrating those crimes set out in the Decree ("Third Party Addressees").

**BoD:** the term "BoD" refers to the Board of Directors of Petronas Lubricants Italy S.p.A.

**Public Authorities:** relative to the Model, the term "Public Authorities" refers to the totality of authorities, entities and agents which are entrusted by law with the care and protection of the public. They include the following:

- national, EU and international public institutions;
- public officials who exercise legislative (aimed at the production of legal regulations), judicial (exercising judicial power) or administrative functions (characterised by the formulation or manifestation of the will of the public authorities or by its action through authoritative and certifying powers (article 357 criminal code)).
- public service functionaries who carry out activities regulated in the same ways as those for public functions but characterised by the absence of those powers that are typical of the latter (article 358 criminal code).

**Disciplinary Code:** the term "Disciplinary Code" refers to the document which, constituting an integral part of the Model, is aimed at guaranteeing respect for the Model, procedures and



standards of conduct. It sets out the sanctions and how they are applied in those cases where Addressees violate or fail to comply with the obligations, duties or procedures to which they are subject.

**CC:** the term "CC" refers to the Compliance Committee established by Petronas Lubricants Italy S.p.A. in compliance with Legislative Decree no. 231 of 8 June 2001, which is tasked with supervising implementation of the Model and ensuring that it is constantly updated and respected by Addressees.

**General Part (231 VNA MO 01):** the term "General Part" refers to the document which, constituting an integral part of the Model, illustrates its contents with specific reference to:

- reference regulations;
- criteria and procedures followed for the provision and adoption of the Model;
- structure of the Model and the documents that constitute an integral part of the same;
- principles for the constitution and functioning of the Compliance Committee, the powers and tasks of the Compliance Committee and the information flows;
- rules for the adoption and updating of the Model;
- Disciplinary Code.

**Antitrust Code:** the term "Antitrust Code" refers to the code adopted by the company to offer a description of the relevant antitrust regulations and the rules of conduct for directors, managers, employees and any other person who acts on behalf of the companies in the group of which the company and its subsidiaries are members.

**Antitrust Procedure:** the term "Antitrust Procedure" refers to the procedure to be followed when unscheduled inspections are carried out by the antitrust authorities.

**Environmental Code:** the term "Environmental Code" refers to Legislative Decree no. 152 of 3 April 2006 as subsequently modified and integrated.

**NCLA:** the term "NCLA" refers to the applicable National Collective Labour Agreements.

**Crimes:** the term "Crimes" refers to crimes-relevant evidence in compliance with Legislative Decree no. 231 of 8 June 2001.

**MD:** the term "MD" refers to the Managing Director of Petronas Lubricants Italy S.p.A.

## **2. INTRODUCTION**

This document, entitled "**Code of Conduct**" (hereafter referred to as the "CoC") sets forth the principles and general rules on which the Company intends to base its organisation and business activities. The Code of Conduct forms an integral part of the Model adopted by the Company pursuant to the Decree.

PL Italy will use its best endeavours, also enforcing specific contractual covenants, to ensure that Addressees conduct in accordance with the principles set forth below, in the interest or to the benefit of the Company, in particular, in relations with the Public Authorities.

PL Italy undertakes to ensure that the Code of Conduct will be delivered to all internal and external Addressees through (i) distribution to members of corporate bodies and to employees; (ii) publication of the complete version on the Company's intranet; (iii) posting the same on notice boards where it is visible to everyone in PL Italy premises. The Code of Conduct is also given to Third Party Addressees.



The values and principles set out in the present CoC reflect those of the CoBE. The Addressees are required to respect both the CoBE and CoC. Addressees must therefore ensure that they have carefully read the same since they are required to comply with the contents of both documents.

It is also important to consider that the CoBE and CoC constitute two separate and distinct documents, with different aims. The references to the CoBE in the CoC are solely intended to facilitate consultation of the two documents on the part of addressees. Infractions and violations of the provisions of the CoBE do not in and of themselves constitute infractions or violations of the CoC just because the said provisions of the CoBE are referred to in the CoC. The CoBE is and remains an independent document and does not constitute part of the Model.

### **3. GENERAL PRINCIPLES**

#### **3.1 Basic principles**

In pursuing its business goals, PL Italy complies with applicable laws and generally-acknowledged ethical principles, adopting methods not in contrast with social utility or such as not to impair freedom, safety or human dignity.

PL Italy requires all Addressees to act in full compliance with current regulations and with the principles of legality, responsibility, professional integrity, transparency, competence, honesty and fairness in all business relations.

Therefore, in carrying out their professional activities, Addressees of the Code of Conduct are required to comply with current law provisions, this Code of Conduct and also with the provisions of the Model and internal procedures.

Members of the BoD and Company's managers are required to comply with the ethical standards established by this Code of Conduct, giving an example for employees and demonstrating that compliance with the Code of Conduct is an essential aspect of the quality of their work.

The Company shall use its best endeavours to establish an organisational structure such as to prevent any infringement of current law provisions, of principles set forth herein, of the adopted procedures, to supervise compliance therewith and practical implementation thereof, also guaranteeing suitable continuous update of the related instruments.

Any type of conduct such as to infringe laws and, more particularly, perpetration of any of the crimes regulated by Legislative Decree no. 231 of 8 June 2001, or infringement of the Model are sanctioned in accordance with the Disciplinary Code which forms an integral part of the Model.

All Addressees are obliged to notify the PL Italy's Compliance Committee (hereinafter, the "CC") of any conduct even only potentially directed towards or suitable to infringe criminal laws and which Legislative Decree no. 231 of 8 June 2001 may apply to.

Company's employees and members of Company's bodies are also obliged to inform the CC of any type of conduct that infringes the Model.

#### **3.2 Confidentiality and compliance with intellectual property rights**

Addressees are required to protect PL Italy's knowledge: they shall not communicate, disclose or use, unless specifically authorised thereto, confidential information that may come to their knowledge in carrying the Company's activities.

All confidential information is treated in accordance with applicable law provisions, adopting methods suitable to ensure utmost transparency to the directly involved persons and to prevent access by third parties, except for justified and exclusive work reasons.



PL Italy operates in full respect of third party intellectual property rights. Therefore, all those who act on its behalf shall not acquire and/or make any use of tangible and intangible assets in such a way as to infringe confidentiality obligations or licences, patents, trademarks, copyrights, or other third party intellectual property rights.

Without prejudice to the confidentiality obligations set out in the present CoC, communications inside the Company and which may be requested by the Public Authorities in carrying out their functions are characterised by transparency and complete cooperation, within the limits and in compliance with current legislation and in agreement with the general principle of transparency, so that the disclosed information is complete, comprehensible and precise.

The relevant provisions regarding obligations concerning confidentiality, intellectual property and public communications are also set out in part II F of CoBE.

### **3.3 Conflicts of interest**

All directors, employees and employees in secondment at the Company are required to act in the best interest of PL Italy. Therefore, they must avoid all possible conflicts of interest, also with regard to family members and relatives, which could impair their independence of judgement. They are obliged to report such situations of conflict of interest to their superiors and to the CC. In particular, any activities carried out for or on behalf of persons outside the PL Italy Group must be notified in writing.

The relevant provisions concerning duties related to the prevention of any possible conflicts of interest are also set out in part II A of the CoBE.

### **3.4 No discrimination and workplace environment**

PL Italy understands that human capital plays an essential role in contributing to the success of the Group. For this reason relationships with employees are based on acknowledgement of merit and principles of objectivity, reasonableness and equal opportunities, valorising their skills and promoting the development of professional competence.

Any form of discrimination based on gender, age, language, nationality, religious beliefs, sexual orientation, personal or social condition, personal opinions or trade union membership is absolutely forbidden.

PL Italy is committed to establishing a workplace environment in which, as far as possible, all are free to behave according to their religious beliefs, including with regard to prayers, consumption of food and drinks and the celebration of holidays.

The provisions regarding illegal discrimination are also set out in Part III, section 2 of the CoBE.

### **3.5 Occupational health and safety**

In carrying out its business, PL Italy complies with the primary health and safety requirements to provide a healthy and safe work environment for all those who come into contact with the same. The Company undertakes to implement all measures required to protect the environment, preventing, as far as possible, exposure to the related risks, or taking action to mitigate these, as far as possible, in accordance with available technical knowledge.

Addressees shall comply with the measures adopted by the Company with regard to occupational health and safety and the protection of the environment and must comply with all the relative laws and regulations in force relative to environmental matters.



The provisions regarding safety, health and the work environment are also set out in part III, section 7 of the CoBE.

### **3.6 Competitive practices**

PL Italy conducts its business according to the principle of fair competition, considered an essential factor in promoting market development and in protecting the interests of consumers and of the community.

Addressees of the Code of Conduct must refrain from any competitive conduct liable to damage the Company's image and reputation.

### **3.7 Social Accountability**

Besides all other provisions included in this Code of Conduct relating to employment and employees protection, PL Italy aims at effectively managing the issues having a social and ethic impact within its own business strategic view.

For such purposes, the Company assures, within its own business realities, employment conditions which comply with the social accountability principles internationally established by the so-called regulations SA 8000.

In particular, the Company undertakes to – and requires its internal Addressee to adopt - behaviours aimed at:

- a. exclude the child and forced labour;
- b. concede working hours in compliance with the law;
- c. pay an appropriate remuneration to the employees;
- d. guarantee the freedom of trade-union associations;
- e. guarantee the employees' right to be protected by the collective bargaining;
- f. guarantee a safe workplace;
- g. guarantee a healthy workplace;
- h. provide a disciplinary system which respects the employees' dignity;
- i. prevent any discriminations based on sex, race, political, sexual, religious orientations.

In order to ensure the abovementioned conditions, PL Italy, besides complying with the national laws and the relevant standards on the matter, bases its own conduct on the principles included in the following international conventions and declarations:

- a. ILO Conventions 29 and 105 (Compulsory and Restricted Labour);
- b. ILO Convention 87 (Freedom of Association);
- c. ILO Convention 98 (Right of Collective Bargaining);
- d. ILO Conventions 100 and 111 (Equality of Wage, for equal work, between male and female labour; Discrimination);
- e. ILO Convention 135 (Convention of the Representatives of the Employees);
- f. ILO Convention 138 and Recommendation 146 (Minimum Age and Recommendation);
- g. ILO Convention 155 and Recommendation 164 (Safety and Health at the Workplace);
- h. ILO Convention 159 (Professional Reinstatement and Employment of the Disabled Persons);
- i. ILO Convention 177 (Home work);
- j. Universal Declaration of Human Rights;
- k. UN Convention on the Rights of the Child.



## **4. APPLICATION AREAS**

### **4.1 Organisational principles**

Addressees who carry out activities on behalf of the Company which are deemed even only potentially exposed to the risk of perpetration of any of the crimes provided for by Legislative Decree no. 231 of 8 June 2001, in their specific area of competence and according to contractual covenants that regulate their relationship with the Company, are required to fully comply with law and regulatory provisions in force in the countries where they operate, with the principles of this Code of Conduct and with the Company's procedures established by the Model applicable thereto.

PL Italy organises its business in compliance with the principles established by the Model and promotes deployment in its organisation of a culture inspired by principles of legality, separation of decision-making processes, responsibility and transparency, control of cash flows and awareness of the positive contribution of internal controls to improvement of efficiency.

In carrying out their functions, employees and members of corporate bodies are responsible for definition and correct functioning of the internal control system established by the Model.

Company's control and oversight bodies (Board of Statutory Auditors, external auditor and the CC) shall have unrestricted access to the data, documentation and information useful for carrying out their activities. Company's directors, managers and employees shall demonstrate utmost availability, transparency and cooperation in responding promptly and professionally to control and supervisory bodies. Any deviation from such conduct is not permitted in any circumstances.

### **4.2 Accounting records and use of financial resources**

The accounting records shall be kept according to principles of correctness, transparency and accountability of transactions and, in order to ensure regular keeping of accounts, the completeness, reliability and accuracy of the related information, data and assessments concerning the operating, equity and financial position of the Company.

Therefore, any type of conduct intended to alter, also by way of concealment, the correctness and reliability of the data or other information to be inserted in the financial statements, reports or other corporate communications required by law or by public or supervisory authorities and addressed to the shareholders, the BoD, the Company's control bodies, the general public, the Public Authorities or any supervisory authority, is forbidden.

Addressees of the Code of Conduct are required to verify and, when requested, to certify the accuracy of the disclosed information. Directors and employees shall ensure that all business transactions are correctly and promptly represented in the accounts. They are also required to cooperate transparently with Company's supervisory bodies. Any type of conduct directed towards obstructing the operations of the public supervisory authorities or of Company's supervisory bodies is forbidden.

Appropriate supporting documentation of the performed activity in relation to any transaction shall be preserved in order to: a) facilitate recording in the accounts; b) identify the decisional path and various levels of responsibility; c) allow precise reconstruction of the transaction; d) prevent errors. Each accounting record must correspond precisely with the supporting documentation.

Cash flows must be generated in accordance with the underlying contractual relations and must be supported by documentary evidence sufficient to justify the existence and amount of the debit or credit and also the identification of the creditor or debtor.

Any type of conduct intended or even only partially directed towards facilitating the perpetration of any of the crimes provided for by articles 24bis, 25, 25ter and 25octies of the Decree, is forbidden. The text of the said provisions is annexed to the present CoC.



The provisions relative to the subject of financial integrity are also set out in part II E, section 17 of the CoBE.

### **4.3 Relationships with employees**

The Company is committed to establishing a working environment able to promote compliance with the general principles of the CoC at all levels, also through targeted training, and requires that managers, either top or not, each for their own sphere of responsibility, behave according to such principles.

Furthermore, the Company a) guarantees the physical and moral integrity of its human resources and working conditions that respect personal dignity and healthy and safe workplaces; b) selects employees according to correspondence between the candidates' profiles and their specific competences, with regard to what is expected and Company's requirements, as resulting from the request made by the relevant function, in full respect of equal opportunities for all the concerned persons; c) adopts principles based on merit, competence and strictly professional criteria for any decision regarding the employment relationship with its employees and external collaborators; any discriminatory practices in the selection, hiring, training, management, development and remuneration of employees and any form of nepotism or favouritism are specifically forbidden.

The Company is committed to ensuring that, within its organisation, employees' pre-established general and personal annual targets are not such as to induce unlawful conduct and are focused on achievement of possible, specific, practical, measurable results and correlated with the time established to achieve these.

Furthermore, employees shall not: a) pursue personal advantage to the detriment of Company's interests; b) exploit the name and reputation of PL Italy for private goals and, similarly, shall not exploit their position at PL Italy and information acquired during their employment for personal purposes; c) use Company's assets for purposes other than those intended; d) uselessly consume or make irrational use of equipment and resources; e) disclose to third parties or use for private purposes or make improper use of information and news concerning PL Italy or scientific, technological or commercial partners; f) perform their work – even without remuneration – in contrast or in competition with PL Italy; g) make any use of technical or scientific information or data that has not been duly authorised beforehand; h) fail to protect, safeguard and preserve the functionality of assets made available thereto.

The provisions concerning: (a) work environment and culture; (b) conflicts of interest; (c) obligations to respect confidentiality, intellectual property and public communications; (d) responsibilities for the assets of the Petronas Group, its structures, resources and registers are also set out respectively in part III, part II A, part II F and in part II D of the CoBE.

### **4.4 Relationships with shareholders**

#### Assets

PL Italy is committed to protecting all components of its assets in order to prevent losses, theft and damage.

Company's assets may be used only for purposes connected to its business and never for unlawful activities.

#### Transparency towards the market

PL Italy ensures complete transparency of all business decisions, providing the investors (shareholder or bond-holders) with all the information necessary to take decisions based on Company's strategic policies, operating trends and expected return on invested capital.



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Company' financial information shall comply with current law provisions and shall be prepared in a comprehensible, complete and timely manner.

Furthermore, if any privileged information concerning the Italian or foreign equity markets (i.e. information not of public domain) comes to the knowledge of an Addressee in carrying out his/her functions, he/she shall:

- a. keep such information as strictly confidential;
- b. adopt all the necessary attention and precautions to protect such information and any related documentation;
- c. disclose such information inside and/or outside the Company only for reasons of his/her office and complying with any confidentiality obligations towards third parties;
- d. promptly notify the CC and his/her functional superior of his/her knowledge of such information.

The provisions relative to the obligations to respect confidentiality are also set out in part II F, sections 18 and 20 of the CoBE.

#### ***4.5 Relationships with partners, customers and suppliers***

In relationships with PL Italy's customers and suppliers, directors and employees shall comply with the principles and provisions of the Model.

The procurement of objectively or subjectively counterfeit goods or services, also aimed at obtaining favours, is forbidden.

The procurement of goods and services where there is even just a suspicion that criminality is somehow involved (e.g. theft, tax fraud, infringement of patents, brands, copyright) is forbidden.

The provisions relative to the intellectual property of third parties are also set out in part II F, section 22 of the CoBE.

The procurement of goods and services with the aim of influencing the independence of Italian public officials and providers of public services and those of any other state, to obtain an official act or an act contrary to official duties such as to configure an advantage to the Company is forbidden.

Partners, customers and suppliers must be inserted in a specific list (database) after verifying the existence, geographical location, reliability and ability to provide the good/service required and/or promised. The CC shall have access to such database.

Transactions are forbidden with persons/entities inserted (or being in a known relationship with such persons/entities) in governmental black lists (which can be consulted on the European Union site or on the Bank of Italy site: [http://ec.europa.eu/external\\_relations/cfsp/sanctions/consol-list.htm](http://ec.europa.eu/external_relations/cfsp/sanctions/consol-list.htm)) who are known to entertain relationships with criminal associations or dedicated to crimes such as fraud against the State, dealing in stolen goods, breach of intellectual property.

Suppliers are selected on the basis of objective criteria including submission of the best bid in terms of a) performance and reliability (guarantees) of the goods or services; b) cost; c) delivery terms; d) assistance, and e) compliance with occupational health and safety regulations.

The provided services or goods and contractual conditions shall be clearly and precisely indicated, also specifying the related quality, reliability and safety requirements. Hidden negotiations are forbidden.

Acceptance of money or goods deriving from crime or any transfer thereof for any reason is forbidden. Payments shall be made after checking the received goods/services.



Employees are also required to promptly inform their superiors (and the CC) of any infringements of the Model in order to allow adoption of the measures considered most suitable case by case.

In relationships with customers and suppliers or with other persons/entities with whom they come into contact in carrying out their work, employees are forbidden to accept gratuities, gifts or other perquisites; employees are obliged to inform their direct superiors of such offers. Similarly, any offer or payment of undue gratuities, gifts or other perquisites of more than symbolic value and, in any case, outside normal relations of courtesy, with the intention of unlawfully promoting the Company's interests, is forbidden.

The relevant provisions concerning: (a) divulgation of information that allows third parties to enjoy an unjustified advantage and personal transactions with customers, suppliers, contractors and sellers; (b) fight against corruption and immoral practices are also respectively set out in part II A, section 4 and 5, and in part B of the CoBE.

#### **4.6 Relationships with competitors**

PL Italy contrasts and censures any type of conduct aimed at obtaining confidential information regarding its market competitors.

The Company complies with current anti-trust law provisions and the rules of fair competition and is committed not to undertake any initiative liable to infringe such regulations (such as market rigging, limitation of production or sale, price fixing with competitors, etc.).

With regard to fair competition, PL Italy undertakes not to infringe third party intellectual property rights, such as, without limitation, trademarks, patents and copyrights.

With reference to the above, PL Italy has adopted a proper Antitrust Code, together with the relevant Antitrust Procedure, which has been made available to all persons carrying out, also factually, management, administration, direction or control functions within the Company, as well as to the employees, provided that such document shall remain strictly confidential and its content shall not be communicated to any other third Addressees.

Said addressees shall abide by what provided for by the Antitrust Code and the relevant Antitrust Procedure; for this purpose, the employees will be trained as to the implementation modalities of the provisions set forth in the Antitrust Code and the Antitrust Procedure.

The relevant provisions regarding antitrust and the right to competition are also set out in part II C, section 14 of the CoBE.

#### **4.7 Relationships with the Public Authorities**

Addressees who act on behalf of PL Italy in relationships with the Italian or foreign Public Authorities shall conduct in accordance with the principles of impartiality and good administration imposed on the Public Authorities, complying with laws and with the provisions of the Model. They are required to provide the Public Authorities with their full cooperation.

The Company forbids all Addressees to adopt any type of conduct, namely promising or offering, directly or indirectly, money, services, perquisites or other gratuities to Italian or foreign public officials and/or providers of public services or their relatives, such as to configure undue or unlawful interest or advantage for the Company.

Addressees appointed by the Company to engage in relationships with the Italian or foreign Public Authorities shall not attempt in any way to unlawfully influence the decisions of public officials or providers of public services who negotiate and take decisions on behalf of the Italian or foreign Public Authorities.



Employment as compensation, with the intent of influencing the independence of Italian or foreign public officials and providers of public services, to obtain an official act or an act contrary to official duties that may configure an advantage for the Company, is forbidden.

Contributions, subsidies or financings received from any Public Authority shall be allocated according to the purpose which they have been granted for.

Any attempt to obtain contracts by any Italian or foreign Public Authority in infringement of laws, through the adoption of fraudulent conduct or bribery, is absolutely forbidden. In performing contracts, any conduct intended to influence the impartiality of public employees, of public officials or providers of public services, is forbidden. Agreements shall be performed precisely and promptly, in strict compliance with the agreed contractual terms and conditions. Invoices and requests for payment shall correspond to the value of the agreed and effectively provided services.

In conferring assignments on public employees, the Company applies objective, verifiable criteria of merit and competence, consistent with business objectives and/or utility and also with purpose of preventing perpetration of offences. Conferment of appointments on members of the Public Authorities as consideration intended to influence their independence, to obtain an official act or an act contrary to official duties by Italian or foreign public officials or providers of public services, that may configure an advantage for the Company, is forbidden. Conferment of assignments on members of the Public Authorities who, in carrying out their duties, participate or have participated personally in the activities of the Public Authority concerning the Company, or examined requests submitted by the Company (e.g. granting of contributions or checking of reports) or the position of the Company with regard to compliance with law, is forbidden.

In associating with other companies to participate in public tenders, PL Italy, also resorting to ratified contractual covenants, requires that all participants comply with the principles set forth in the Model and in this Code of Conduct and adopts all possible precautions to prevent the perpetration, also by partners, of crimes in the interest and to the benefit of the Company.

Addressees who act on behalf of PL Italy as public official or public service provider are required to behave strictly in compliance with principles of legality, independence and impartiality and good administration of the Public Authorities, refraining in particular from any type of conduct such as to induce anyone to give or promise money or other perquisites.

The relevant provisions regarding the fight against corruption and immoral practices are also set out in part II B of the CoBE.

#### **4.8 Relationships with private parties**

The Addressees must also avoid acting with the intention of offering or promising, either directly or indirectly, payments, services or other advantages to administrators, general managers, directors responsible for accounts entries, auditors, official receivers of Italian companies or other persons subject to the management and supervision of all these subjects, where the said offer or promise constitutes a violation of the duties which the said persons owe relative to companies in question.

The relevant provisions regarding the fight against corruption and immoral practices are also set out in part II B of the CoBE.

#### **4.9 Relationships with other stakeholders**

In carrying out its business, PL Italy undertakes to guarantee environmentally sustainable development. In order to protect and safeguard the environment, in compliance with current



law provisions, the Company plans its activities in such a way as to correctly balance its business initiatives and peremptory environmental requirements.

PL Italy does not make contributions of any type, directly or indirectly, to political parties, movements, political and trade union committees and organisations and their representatives and candidates except in the forms and according to the procedures provided for by current laws.

The relevant provisions regarding conduct contrary to the duty to exercise due diligence are also set out in part II G of the CoBE.

#### **4.10 Basic principles in entering into contracts**

In negotiating more complex contracts or contracts of major economic value, constant contact shall be maintained with Company's top management responsible for the sales sector or with persons indicated thereby for all legal issues connected to the contract.

All Addressees appointed by the Company to negotiate and enter into contracts shall comply with all parts of the Model, including this Code of Conduct, in order to mitigate the related risks.

The main scopes to be achieved in negotiating a contract are to maximise profitability and, of more specific interest for the purpose hereof, to reduce the Company's potential liabilities. Consequently, during negotiation of contract, particular attention must be paid to all issues that may have an impact on PL Italy's liability.

With regard to the sale of PL Italy's products and services, in the absence of suitable contractual conditions, considerable potential liabilities may be incurred, for example, in case of delay in delivery, delivery of faulty products, failure to comply with service obligations. Therefore, clauses drawn up with particular care shall be inserted in the contract.

The Company's policy is to restrict to the extent possible its contractual liabilities and, in any case, not to incur liabilities exceeding those deemed normal in its specific sector of business.

In order to optimise PL Italy's business and to procure the best possible contractual conditions, the clauses referring to the liability of the Company's counterparty shall be carefully assessed.

In all negotiations, a person ultimately responsible for their outcome must be designated. Such person is hereinafter referred to as "Contract Manager". The Contract Manager shall verify compliance with this Code of Conduct and with other applicable directives and instructions. Furthermore, the Contract Manager shall verify that the persons in charge of negotiating the contract have the necessary expertise, experience and legal assistance. The Contract Manager shall ensure suitable exchange of information with the competent functions of PL Italy during negotiation of the contract and suitable monitoring of the contract performance. Moreover, the Contract Manager shall verify that the original of the contract has been filed in the contracts database of the Division that has executed the contract.

#### **4.11 Use of IT systems**

IT systems shall be used in strict compliance with current regulations.

In accordance with the Legislative Decree no. 196 of 30 June 2003, the Company has adopted a Safety Program Document which all directors, employees and external collaborators shall comply with.

The Company uses IT systems (computers, servers, LAN and wireless networks, line connections, routers, etc.), comprising duly licensed hardware and software, granted in use to directors, employees and partners with the sole purpose of complying with obligations towards the Company in relation to achievement of its corporate purpose.



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All software installed on Company's systems is and must be regularly licensed. The head of the "IT Systems" department is in charge of preserving the documentation proving legitimate use of the installed software.

Each user is personally responsible for the physical and functional integrity of such systems, of the related data, information and programs and is, therefore, required to update, if requested, the relevant protection systems (antivirus, firewall, etc.).

Access to each IT and telematic system is restricted to one or more identified users through surveillance of the premises and adoption of logical (user ID and password) and physical keys (the doors to the premises are locked), distributed by the system administrator and preserved in such a way as to prevent misappropriation, undue knowledge or use by unauthorised persons.

A corresponding access profile to Company's networks and to the Internet is defined for each User ID. Each profile establishes access privileges to the applications, access limits to the Company IT system (module) and related activities (display, data entry, editing of the inserted data).

Users may be assigned with an e-mailbox with personal account. Such e-mailbox shall be used only for business purposes and never for personal use. Incoming and outgoing e-mails to/from such mailbox are intended to be directed to or sent by a Company's function; therefore, the user's superiors are authorised by the Company and by the users themselves to access it within the limits permitted by current law provisions.

Within the limits permitted by current law provisions, the system administrator (also through a delegated person) is authorised by the Company and by users to access IT systems in order to guarantee continuity of Company's business (prolonged absence of the user), maintenance, protection of system security and prevention of the crimes provided for by article 24bis of Legislative Decree no. 231 of 8 June 2001.

The Company may also revoke use of IT systems, entirely or in part, in order to prevent, entirely or in part, access by one or more users to the Company's and other IT networks (e.g. by using filters).

Directors, employees and partners shall comply with the aforesaid general principles of use of IT systems and expressly authorise access to these, without any restriction, by superiors, by the system administrator or persons delegated thereby.

Use of IT systems for any purpose incompatible with that for which it is granted to users is forbidden. In particular, the following are forbidden:

- a. unauthorised downloading, uploading or installation of software (music, films, photos, programs, etc.) or otherwise such as to infringe copyrights;
- b. any disclosure to unauthorised third parties, or permitting that these are apprised of confidential data, information, formulas, process descriptions, documents and materials or whose knowledge by third parties might cause damage to the Company;
- c. produce, detain, disseminate, in any form and manner, pornographic, child pornography material, propaganda or instigation to terrorism, or any material such as to offend the honour and dignity of third parties;
- d. unlawful access to Company's computer registers and files and/or falsification of IT data, information or documents of any type;
- e. adoption of any of the conducts provided for by article 24bis of the Legislative Decree no. 231 of 8 June 2001 or even conduct instrumental thereto.

Unless specifically and expressly authorised, personal use for purposes other than those listed above is also forbidden.

Access to IT systems by anyone outside the Company (e.g. Public Authorities) is restricted only to users specifically authorised by the owner of such IT system. These are required to maintain the access keys to such systems strictly confidential, not to disseminate these and to preserve them in a safe place protected against misappropriation.



The relevant provisions regarding media, technology and informatics systems are also set out in part II F, section 26 of the CoBE.

#### **4.12 Safety management system**

The Company complies precisely with law provisions and regulations in the matter of health and safety at the workplace and, in particular, with the provisions of article 30 of Legislative Decree no. 81 of 9 April 2008 and those of BS OHSAS 18001 international standards.

In accordance with current occupational health and safety regulations, PL Italy is committed to adopting all the measures necessary to protect the physical and moral integrity of its employees and, in particular, to ensuring that:

- a. in carrying out its business, compliance with current law provisions concerning employees' health and safety is considered a priority;
- b. risks for employees are avoided, as far as possible and guaranteed by the development of improved techniques, also by choosing the most suitable and least dangerous materials, machinery and procedures to mitigate the risks at source;
- c. unavoidable risks are correctly assessed and suitably mitigated through appropriate collective and personal safety measures;
- d. widespread, up-to-date and specific information and training of employees with reference to the preformed function;
- e. employees are consulted, also through ESR, on matters concerning occupational health and safety;
- f. any needs or non-conformities regarding safety that have emerged during working activities or during audits and inspections are dealt with rapidly and effectively;
- g. work and related operating aspects are organised in such a way as to safeguard the health of employees, third parties and the community in which the Company operates.

The Company dedicates organisational, instrumental and economic resources to achieving the above goals, with the aim of ensuring full compliance with current safety regulations and continuous improvement of occupational health and safety and of the relevant prevention measures.

The relevant provisions regarding safety, health and the work environment are also set out in part III, section 7 of the CoBE.

#### **4.13 Environmental management system**

The Company complies precisely with the law provisions and regulations in the matter of environmental protection and in particular to what provided for by Legislative Decree 152 of 3 April 2006 (so-called Environmental Code) and suggested by the international standards BS OHSAS 18001 and, with reference to Villastellone and Naples plants, by the standards ISO 14001 as well.

Within the framework of the current legislation on environmental protection, PL Italy undertakes to adopt an overall management approach of the environmental main themes which allows to face these latter in a global, systematic, consistent and integrated manner and in the perspective of the continuous improvement of its own environmental performances and, in particular, in order that:

- a. the Company carries out its business responsibly according to certain modalities which guarantee the respect of the environment as strategic value;
- b. the identification, analysis, assessment, prevention and control of the environmental impact of its own business form part of the procedures usually applied by the Company;



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- c. the organization and environmental management model are amended and constantly updated and the environmental performances improved in relation to the changes in the internal and external factors;
- d. the initiative of all the players inside the organization is activated, motivated and promoted;
- e. the fair and transparent communication and interaction with the external individuals or entities interested or involved in the environmental performances of the business is promoted and supported.

Organizational, instrumental, and financial resources are set aside to pursuit the abovementioned purposes aiming at guaranteeing the full compliance with the current legislation and the protection and improvement of the environmental conditions, as well as a cautious and rational use of the natural resources.

For such purpose the Company has its own business following the principles of precaution, preventive action and correction, where necessary, of the damages caused to the environment.

## **5. COMPLIANCE WITH THE CODE OF CONDUCT**

All Addressees are bound to comply with this Code of Conduct and with the Model in general, under penalty of application of the Disciplinary Code forming an integral part of the Model.

PL Italy has established an internal Compliance Committee vested with independent initiative and control powers.

The CC is entrusted with the supervision on the functioning of and compliance with the Model in conformity with Legislative Decree no. 231 of 8 June 2001, and with notifying and proposing the necessary updates and adaptations.

The CC is also responsible for promoting diffusion and knowledge of this Code of Conduct and for following up application and update thereof. To this end, the CC shall take actions, through the competent Company's functions, to prevent and deter infringements of the Code of Conduct.

Directors and employees are required to notify the CC of any type of conduct deemed to violate the Code of Conduct.

Information and notifications provided to the CC and to functions and structures used by it are confidential and shall not be disclosed, except in the cases provided for by current regulations.

PL Italy promotes knowledge of this Code of Conduct by its Addressees, firstly, by distributing relevant documentation to all employees and members of Company's bodies and, secondly, by submitting it, with the means considered most suitable and taking into account their specific assignments, to third parties who carry out activities on behalf of the Company that are considered even potentially at risk of perpetration of any of the crimes provided for by the Decree.

Addressees may request their superiors or Company's reference persons for advice and explanations regarding the contents of the Code of Conduct at any time.