

CODE OF ETHICS OF GHIBSON ITALIA SRL

1. INTRODUCTION

The Code of Ethics is, for a company, its Constitution. It gives expression to the principles governing the company's deontological profile (commitments and responsibility), to which principles all those to whom the said Code is addressed must conform with regard to the tasks and roles assigned to the said Addressees within the company's Organisation.

The principles set forth in the Code have a bearing on crime prevention efforts, pursuant to D. Lgs (legislative decree) 231/01, and constitute an essential part of preventive control.

This Ethical Code is made up of three main parts:

- the General Principles guiding the drafting of the Code
- the rules governing Ethical Conduct
- the Provisions for Implementation

Ghibson Italia Srl's mission

In the Italian facilities of Ghibson Italia Srl, we have been designing and manufacturing valves for nearly four decades. The valves, including standard and customized products, are produced for any number of industrial applications. Our mission is to attain excellence.

Objectives of the Code of Ethics

Adoption of the Code of Ethics is conducive to conservation of a fundamental intangible resource that, within the ambits of today's competition, is often of greater strategic significance than material resources – the company's good reputation. Implementation is achieved by means of management procedures based on ethical principles, and principles of professional correctness and uprightness in one's dealings within the company and with others outside the company.

Ambit of application

The provisions of the Code of Ethics apply, without exception, to all who work internally for, or who act on behalf of, Gibson Italia Srl.

More specifically, the Addressees of the Code of Ethics – and therefore the persons under an obligation to abide by the principles set forth in the Code – are as follows:

- all natural and/or corporate persons representing, administering, directing, managing and controlling Gibson Italia or an organisational unit of Gibson Italia;
- all employees, consultants and collaborators, even when temporarily engaged;
- sales partners, customers, suppliers and all who have dealings with Gibson Italia Srl.

Gibson Italia Srl, also in compliance with D. Lgs. (legislative decree) no. 231 of 2001, undertakes to:

- ensure that the Code is disseminated to the greatest extent possible among the Addressees and parties having dealings with the company;
- foster familiarity with the Code, while providing all possible interpretative instruments for implementation of the rules of the said Code;
- avoid conflicts of interest, and to conduct itself lawfully in order to prevent criminal or illicit conduct of any kind on the part of persons working for, or on behalf of, Gibson Italia Srl;
- give expression to Gibson Italia Srl's commitment to social responsibility, by harmonizing corporate aims with social needs;
- selecting measures and instrument for internal control such as are appropriate for the purpose of monitoring conformity to the Code;
- provide fully effective safeguards against all reprisals that may occur after possible breaches of the Code are reported;
- periodically update the contents of the Code, to align it with societal changes in awareness, sensitivities and susceptibilities, and with environmental and legislative conditions.

Gibson Italia Srl considers the Code of Ethics an integral part of its approach to governing industrial relations.

2. GENERAL PRINCIPLES

Parties acting in order to further the objectives of Gibson Italia Srl conduct themselves in accordance with the following guiding principles:

Honesty and lawfulness

Gibson Italia Srl shall undertake its activities in full compliance with current regulations, and in conformity both to the Code of Ethics herein and to internal procedures and policies, with the assurance that decisions shall, even potentially, be neither ascribable in any way to personal interests nor such as clash with the duties arising out of the relations, based on trust, that underpin the corporate roles of each operator. Consultants, suppliers, customers and all parties engaged in dealings with the company are to act in accordance with this commitment.

Impartiality

In regard to every decision pertaining to relations of all kinds, the Company undertakes to abstain from all discrimination based on age, gender, sexual orientation, state of health, race, nationality, political opinions and religious beliefs.

Correctness

All Addressees must avoid all situations, and abstain from all actions, that may lead, even potentially, to a conflict between personal interests and the interests of the company, or that may compromise or adversely affect the ability to arrive at decisions based on impartial and objective judgements such as shall further the interests of the Company.

Where a potential conflict of interest situation arises, the Addressee must provide notice of this circumstance and must abstain from all actions regarding the said situation.

The top management team, in particular, must abide by the provisions of art. 2391 of the Civil Code. In general, with a view to avoiding the occurrence of conflicts of interest, all operations and activities are to be undertaken solely and exclusively for the purpose of furthering the interests of the Company, and are to be undertaken lawfully, transparently and correctly.

Confidentiality

Gibson Italia Srl ensures that the information in its possession remains confidential, and it complies with the regulations governing the processing of data. It undertakes to abstain from using confidential information for purposes unrelated to its own activities.

Responsibility

The Addressees of the Code of Ethics shall all undertake to engage in relations based on trust with their colleagues and, more generally, with all persons with whom they have dealings. Uprightness and efficacy must characterise the actions undertaken to achieve the company's objectives, in full awareness of one's own tasks and responsibilities.

Dissemination of the Code

Ghibson Italia Srl undertakes to ensure that the principles of this Code shall be disseminated, in view of the tasks falling under its own competence, within the structure and also to suppliers, collaborators, consultants, partners and other counterparties engaging in dealings with the organisation, in such a manner that no conduct of any parties shall clash with the principles and objectives set forth in the Code. The Code is subject to revision on the part of the Supervisory Board. Revisions shall be made while bearing in mind the contributions received from Addressees, developments in the regulatory field, and experience gained in applying the Code itself. Notices of all modifications made to the Code following such revision shall be published and made available to all Addressees.

3. RULES OF CONDUCT

Criteria applying to conduct in dealings with collaborators

Selection of personnel

Evaluation of the resources to be employed is conducted based on a correspondence of the candidates' profiles with the requisites dictated by the company's needs. Evaluation takes place in a manner consistent with the procedures adopted by the Company, while abiding by the principle of equal opportunities for all evaluated individuals.

During the process of selection of personnel, equal employment opportunities are ensured, and discrimination on the basis of race, gender, religious beliefs, nationality and age is not permitted.

Selection takes place in such a manner that respect for the sphere of the private lives and the opinions of candidates is guaranteed.

Furthermore, no unlawful employment of any kind is permitted. In particular, the Company shall not avail itself even indirectly of the services of foreigners without duly issued residence permits.

Personnel management

The directors and function managers must ensure that equal opportunities apply to industrial relations, must ensure that no discrimination occurs in the workplace, and must promptly take note of, and duly provide remedies for, any problems that may arise in this regard.

All managers must also optimize the time of collaborators while at work and must ask of these collaborators work that is in keeping both with the roles assigned to each and with the plans drawn up for organisation of activities.

Requests for services, personal favours or the ordering of tasks on the part of a superior, when such tasks are considered acts to which the said superior can stake a claim, are not tolerated and constitute an abuse of position of authority. Such conduct expressly constitutes a breach of this Code.

Health and safety

Ghibson Italia Srl's priority objective is that of ensuring the health and safety of the Addressees and of third parties having dealings with the Company. The company constantly engages in actions directed at safeguarding the environment and health and safety in the workplace, and it undertakes to disseminate and consolidate the culture of safety.

Familiarity and conformity with current workplace health and safety regulations are therefore prime conditions for the Company, for all of the Company's collaborators and employees, and for contractual counterparties and suppliers.

The Company has adopted a specific policy, and specific procedures and control instruments, regarding workplace health and safety, and acts in accordance with legal obligations. The Company intends to foster awareness in regard to risk management, while encouraging responsible conduct, and safeguarding, above all by means of preventive actions, the health and safety of all employees and collaborators.

Personal integrity and safeguards

The Company undertakes to protect the moral integrity of collaborators by guaranteeing the right to working conditions that are compatible with personal dignity and that safeguard workers against acts of psychological violence.

The Company also combats all conduct or attitudes that are discriminatory in nature or are injurious to persons and their beliefs and preferences.

Confidentiality and privacy

The information, data and knowledge gained, processed and managed by employees as part of their duties must remain strictly confidential, must be duly protected, and must not be used, transmitted and disseminated either within the Company or elsewhere otherwise than in accordance with current regulations and Company procedures.

The Company's collaborators must in any case treat as confidential all the information, the transmission of which may be prejudicial to the Company.

The members of the personnel must process the said data and information with the greatest care and as confidentially as possible, and their conduct must be such that they do not reveal either to colleagues or to third parties any of the information held by the Company that has not already been made public.

Conflicts of interest

The Company's collaborators must all avoid such situations as may bring about conflicts of interest, and must all abstain from benefitting personally from business openings of which they become aware while carrying out their functions.

By way of example, and with no claim to exhaustiveness, conflicts of interest may come about as a result of the following circumstances:

- playing a top management team role while holding an economic interest in the concerns of suppliers, customers or competitors also via one's own family or relatives up to the fourth degree of kinship;
- having dealings with suppliers and working for suppliers, or having family members or relatives up to the fourth degree of kinship who have dealings with and work for the said suppliers;
- accepting money or favours from persons or companies that have, or intend to have, business dealings with GIBSON ITALIA SRL;
- as an employee, providing third parties with confidential information obtained while at work, or using the said confidential information for personal gain.

Protection of business wealth and conformity to the IT policy

All collaborators are obliged to adopt diligence in protecting company assets by conducting themselves responsibly and in accordance with the operational procedures drawn up for use of the said assets.

All collaborators must carefully use the assets entrusted to them and must prevent misuse of the same, potentially harming the assets or lowering their efficiency. All collaborators must bear responsibility for the protection of the assets entrusted to them, must prevent fraudulent use of the said assets, and must promptly inform their immediate superiors of any threats or hazards that the Company may be faced with.

The Company reserves the right to prevent non-conforming use of its assets by means of accounting systems and other forms of control reporting of any kind in accordance with current regulations.

With regard to IT applications, all collaborators must:

- ↓ not divulge the passwords or access codes possessed for any reason;
- ↓ not access the computer systems of others without permission to do so;
- ↓ conform to the principles of confidentiality, correctness and appropriateness and of correct use of IT applications, abstaining from all conduct that may expose the Company, even potentially, to breaches of the adopted policy;
- ↓ implement the provisions of the company's security policies in order to safeguard the functionalities of the computer systems and the security of the said systems;
- ↓ not send e-mail messages the contents of which are inappropriate, expressed using vulgar language, which may be offensive to persons and/or may be prejudicial to the company's image;
- ↓ not navigate Internet sites the contents of which are offensive or indecorous.

Anti-corruption

The Company condemns all forms of public and/or private corruption, and also prohibits all conduct (on the part of all operators irrespective of rank) consisting in the acts of promising and/or offering money or other benefits to public and/or private parties, civil servants and/or persons responsible for public services, which, in an undue manner or illegally, may be beneficial to the Company or may further the Company's interests.

Gifts, gratuities and other benefits

No gratuities or money are to be provided to individuals in order to facilitate the Company's sales.

It is forbidden to provide or to promise to provide gifts, gratuities or benefits to individuals who have commercial or business dealings with the Company, without prejudice to practices regarding gifts, gratuities or benefits of a modest value (unit value of no more than 100.00 euros), this latter practice being customary.

In any case, before proceeding to offer gifts gratuities or benefits of a value in excess of the said modest value, employees or collaborators of the Company must request express authorisation to do so from the area manager under whom they operate, who shall in turn request authorisation in this regard from the top management team.

The Company's directors, auditors, employees or collaborators must not receive gifts, gratuities or benefits from persons who have dealings with the Company in matters regarding the Company's activities.

This principle applies also to all forms of donation whether cash or in kind, sponsorships, invitations or benefits of any kind. All exceptions to this rule, including exceptions regarding the cultural diversity of countries, must be expressly approved by the top management team.

Relations with customers and product quality

Customer satisfaction is a major factor of the Company's success. Particular attention is paid to understanding our customers' needs and to seeking out the solutions that best meet those needs. The Company aims to guarantee adequate quality standards for the services/products on offer, which standards are based on set levels, and it aims to periodically monitor perceived quality.

Relations with suppliers

Purchasing processes are conducted with a view to maximising values for the Company while providing for equal opportunities for all suppliers. These processes are also based on pre-contractual and contractual conduct characterised by an uprightness, transparency and spirit of collaboration, necessary for dealings between parties.

During the process of selection of suppliers, no undue pressure and no conduct such as might undermine the credibility and trust enjoyed by the Company within the marketplace, with respect to transparency and strict application of laws, and conformity to Company procedures, will be permitted or accepted.

Financing, contributions and subsidies

Contributions, subsidies or financing received, in the event, from the State or from another public body or from the European Communities must not be used for ends at variance with those for which the said benefits were granted.

The Company condemns conduct aiming to obtain any type of contribution, financing, facilitated loan agreement or another benefit of this kind, from the State, European Community or any other public body, by means of statements and/or documents that have been altered or forged for this purpose, or by means of omissions or, more generally speaking by means of deception or false representations, including deception or false representations perpetrated by means of an IT or a telematic system, with a view to misleading the allocating body.

The persons delegated to take on functions or tasks must be more careful over all information of a confidential nature which they may have access to, and they must scrupulously file and record all documents or results produced by themselves and/or transmitted to public administration bodies and public bodies in general.

Combatting organised crime

The Company resolutely condemns and, with all instruments available to it, combats organised crime in all forms, including Mafia forms of organised crime.

The Company shall be most scrupulous in its controls, concerning the required qualities of honourableness and reliability in its commercial counterparties, such as suppliers, agents, consultants, customers and partners.

This attention shall characterise the stages prior to commencement of dealings and the dealings themselves as these proceed and develop, to which end information shall be requested that is necessary in order to assess the moral integrity, respectability, reliability and lawfulness of the activities carried out.

4. THE PROVISIONS FOR IMPLEMENTATION

Modes of implementation of the Code, control and penalties

The Supervisory Board

The activity and function of the Supervisory Board is duly governed by the pertaining regulations. The Supervisory Board is the body to which the task of control is assigned, regarding the functioning of the Modello Organizzativo (organisational model), pursuant to D.Lgs. (legislative decree) 231/01, that GHIBSON ITALIA SRL shall adopt, and hence control of the constituent elements of the said model, the elements of which also include the Code of Ethics herein.

Furthermore, the Company may adopt specific control modes for verification of conformity to regulations and to the rules of conduct set forth in this Code, of the conduct of all who act on behalf of the Company.

In carrying out its functions, the Supervisory Board shall be provided with unlimited access to the corporate data and information of use to it for the purposes of its activities.

The Company's various bodies and the members of the same, the employees, the collaborators and the third parties acting on behalf of the Company are obliged to fully collaborate with the Supervisory Board and assist it in furthering its functions.

Dissemination of the Code of Ethics

The Company undertakes to effectively disseminate the rules, regulations and procedures to be abided by and to provide information to Addressees on the same, so that the enterprise's activities shall be undertaken in conformity with the ethical principles of this Code.

All uncertainty in regard to application of this Code must be promptly brought to the attention of the operators' immediate superiors and/or the Supervisory Board.

All persons collaborating with the Company undertake to conform to the principles of this Code, and to cause the other parties to do likewise, so that the provisions herein may be adequately applied and complied with. Under no circumstances can any resulting benefit for the Company serve as a justification for conduct that is at variance with the regulations and with the aforesaid principles.

Obligations in regard to notification

All parties that become aware of breaches of the principles of this Code or, generally speaking, of the system of internal control, must promptly inform their immediate superiors of the same. Such notification, which may be provided in writing, by word of mouth or by telematic means, shall be stored and archived by Company and by the Supervisory Board.

Modifying and updating the Code

All modifications and/or amendments of this Code must be made in the same manner as that adopted for the original approval of the Code.

Penalties

Conformity to the provisions of the Code is to be considered an essential part of the contractual obligations assumed in dealings with the Company. All Addressees, as defined herein, must therefore conform with the said Code.

Failure on the part of employees to conform to the provisions of this Code of Ethics may lead to application of the penalties set forth in L. (law) 300/1970, in the collective labour agreements for the sectors in question and as per the Sistema Disciplinare (disciplinary system), pursuant to D.Lgs. (legislative decree) 231/2001, if applicable.

Failure on the part of other Addressees to conform to the provisions of this Code of Ethics shall lead to application of penalties in accordance with the provisions of the Sistema Disciplinare (disciplinary system) that shall be adopted by the Company in accordance with D.Lgs. (legislative decree) 231/01.