



PG.09.02
CODE OF CONDUCT

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Operational procedure
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REVISION TABLE

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1 AIM AND APPLICATION FIELD

The adoption of ethical principles aimed at crime prevention as per ex D.lgs. no. 231/2001 represents an essential aspect of C.A.E.N. S.P.A. preventive control system. These principles are included in a code of conduct.

2 INTRODUCTION AND PURPOSES

According to the framework for action outlined by the European Union and the Italian law, C.A.E.N. S.P.A. intends to develop and apply all initiatives which contribute to promote the corporate social responsibility.

The company, working in the high technology research field together with the main international private and public partners, intends to consolidate its role, image, resources and productive skills with respect of the current legislation, contributing to the future economic development and to the technological progress based on a healthy, fair and farsighted management of the entire "chain of research".

Thus the company chose to commit to adopt responsible behavior by all those working in, with and for the company focusing its conduct to principles shared as cultural heritage such as honesty, loyalty, commitment, solidarity, transparency and responsibility in full compliance with existing laws and regulations including the present code of conduct which represents the focal point of the organization model. All taking over an established and historical recognition of the ethical and fair conduct of CAEN S.p.A both at national and international level.

C.A.E.N. S.P.A., aware of the importance of an ethical conduct as unfailing value and condition of success for the company, defines the guidelines to which the internal and external relations shall refer to.

C.A.E.N. S.p.A. attributes fundamental importance to compliance with the Code of Ethics and the Internal Organizational Model, the principle of accountability-incentive in reporting behavior, conduct and situations at risk and, in succedanea, the punitive-sanctions system.

C.A.E.N. S.P.A. considers of primary importance the management of the relation with stakeholders (meaning all public and/or private, Italian and/or foreign subjects having any contact with C.A.E.N. S.P.A.) and bases its work on the punctual respect of the law, the market regulations and the principles inspiring the free and fair competition.

In particular, the principles of the present code of conduct gain value proclaiming with determination and firmness C.A.E.N. S.P.A. credibility and reliability in the social and economic background in which the company works, translating in competitive advantage the appreciation of the values which distinguish C.A.E.N. S.P.A. conduct.

Within the internal control system, the present code of conduct is the basis and reference, after the risk-crime evaluation connected to the company activity, for both the preventive model of organization, management and control and for the system of penalties of the violation of the rules which the code defines, adopted by C.A.E.N. S.P.A. according to articles 6-7 D.lgs no. 231/01.

The presence of this system control structured on different levels, induced C.A.E.N. S.P.A. to elaborate particular dedicated instruments with maximum efficacy without impacting heavily on the company structure and resources.

The supervision on the code of conduct and its application is remitted to a supervisory board together with the administrators, employees and collaborators which report any possible defaults and non-compliances to the competent authority.

3 APPLICATION FIELD OF THE CODE FO CONDUCT

The administrators, employees, collaborators (even the occasional ones), the agents must comply with the code of conduct dispositions protecting the company respectability and integrity and the corporate assets integrity.

In particular, the Board of Directors members must be inspired by the code of conduct principles to define the company aims, to propose investments and develop projects and to take any other decisions and choice which could affect the company work.

The directors and managers will be inspired by the same principles: inside the company strengthening the cohesion and the collaboration, and outside the company towards anyone getting in touch with the company itself.

The employees and the collaborators not directly employed by the company and the partners are required to adapt their behaviours to the code of conduct dispositions.

The company engages to disclose and promote the culture of ethics and the knowledge of the principles and regulations of the code of conduct through communication and information activities.

In order to encourage the correct application of the code of conduct the Supervisory Board will also:

- Monitor the application of the code of conduct by all parties, also through the notification of violation,
- Report to the CEO or to the Board of Directors, the found violations to the code of conduct,
- Provide, if necessary, the periodical revision of the code,
- Suggest the proper sanctions to the violations/infringements.

4 TYPES OF CRIMES - SUMMARY OF THE MAIN PROFESSIONAL CHARACTERS

For the purposes of D.lgs. No 231/01 in relation to the particular activity carried out by C.A.E.N. S.p.A., (continuous relationships with public administrations), the more interesting types of crimes have been identified, and they mainly relate to offences against the PA contained in the Criminal Code.

For such crimes C.A.E.N. S.P.A. foresees dedicated internal control systems, mainly based on:

Participation, where possible, of more than one subject to the meeting with PA or connected institutions, and minutes of the visits.

Separation of functions in the different phases of a process,

Registered documentation and traceability of the main and more hazardous operations since the preliminary phases,

Transparency and traceability of the business meetings with the PA and/or any subject acting for the PA.

C.A.E.N. S.P.A. also established proper control regulations aimed to prevent corporate crimes foreseen by the Codice Civile novellato (D.lgs. no. 61/02 and following), even if such type of crimes never

occurred in the company appropriate rules control measures have been provided to prevent the commission of crimes.

The crimes of forgery of money, public credit cards and in revenue stamps (art. 453 and following), crimes established with the purposes of terrorism or subversion of the democratic order foreseen by the Penal Code or special laws and crimes against individuals (art. 600, such as slavery, prostitution, child pornography, and virtual pornography) even if foreseen by D.lgs. no. 231/01, are not critical for C.A.E.N. S.P.A. activity, and so, are not guarded by the foreseen control systems against the crimes versus the P.A., are also guarded by the application of the laws included in the Ethical Code. The crimes committed in violation of the safety and hygiene laws, and the informatics laws do not present critical aspects if for marginal and specific aspects and, therefore, are managed as well as by using systems of control for crimes against the public administration, the application of the rules contained in the Code of Ethics. How not to have problems, except for some very marginal and specific crimes committed in violation of safety regulations, safety and hygiene at work, computer crimes and those related to environmental crimes.

5 GENERAL PRINCIPLES

5.1 Respect of the law

Relations and behaviours, at any company level, must respect the laws and regulations existing in the countries where the company works and the principles included in the code of conduct and in the internal regulations.

5.2 Honesty and correctness

Honesty is a fundamental principle for all activities of the company and constitutes an essential element thereof. Under no circumstances the pursuit of personal gain or of the company may justify a dishonest conduct.

5.3 Solidarity

The Company is sensitive and attentive to the value of contribution to research, even in international contests, contributing with the maximum transparency to the development of valid and serious research projects for the progress and welfare of individuals, of which the company will keep documentation.

5.4 Impartiality and equal opportunities

In decisions that affect relations with its stakeholders, (the choice of customers and suppliers, relations with shareholders, with employees, with the job organization, relations with public institutions and authorities) CAEN S.p.A. undertakes to avoid discrimination based on age, sex, health status, race, political opinions and religious beliefs of his interlocutors.

Sexual harassment is not allowed, behaviours and attitudes offending the individuals sensibility must be avoided (such as exposure of sexual explicit images, insistent and continue allusions).

The person who deems to have been injured, harassed or discriminated against for reasons mentioned in the first paragraph must report this to the Supervisory Board which will assess the actual breach of the Code of Conduct.

5.5 Transparency and completeness of the information

C.A.E.N. S.P.A. agrees to inform all stakeholders in a clear and transparent way about the company situation and its evolution, without favouring any interest group or individual by means of the needed functions for the mandated purpose and the limits of law and in the interests of a smooth running of the company.

The Company respects the right of information. It is not permitted to disclose information or false and tendentious comments that may in any way damage the Company.

All communications shall respect the laws, rules and practices of professional conduct, and is made with clarity, transparency and timeliness, protecting, among others, the price-sensitive information and trade secrets.

5.6 Confidentiality of information

C.A.E.N. S.p.A. ensures the confidentiality of information in its possession and refrains from seeking confidential information, unless expressly and aware authorization and in compliance with the existing laws. In addition, C.A.E.N. S.p.A. collaborators shall not use confidential information for purposes not connected with the exercise of its business, as in the case of insider trading.

All information available to the Company are treated respecting the privacy of stakeholders and according the existing legislation.

5.7 Value of human resources

The employees and staff, with their serenity, are indispensable to the success of the company. For this reason C.A.E.N. S.p.A. protects and promotes human value in order to improve competitiveness and increase the stock of skills possessed by each of them.

5.8 Authority fairness

In the underwriting and management of contractual relationships that involve the establishment of hierarchical relationships, CAEN S.p.A. ensures that authority is exercised with fairness and correctness thus preventing any kind of abuse. Specially, it guarantees that authority does not become the exercise of power against the dignity and autonomy of the employee and/or collaborator.

5.9 Integrity of the person

The Company guarantees the physical and moral integrity of its employees and collaborators, respectful working conditions and a safe and healthy environment, in accordance with national regulations.

5.10 Competence and accuracy

The contracts and work assignments must be performed as specified by the parties, with the utmost care, skill and accuracy.

5.11 Fairness and equity in the management and/or possible renegotiation of contracts

Anyone working for or in behalf of CAEN S.p.A should avoid to take advantage of any contractual gaps and to renegotiate the contract with the sole purpose of exploiting the position of dependency or weakness in which it can eventually be in.

5.12 Fair competition

C.A.E.N. S.p.A. seeks to protect the value of free market and fair competition refraining from collusive behaviour and from the abuse of dominant position and expects a similar behaviour from all.

5.13 Responsibility towards the community and environmental protection

C.A.E.N. S.p.A. directs its investments in research programs, considering also their environmental implications on sustainable progress.

5.14 Conflict of interest

In accordance with the principles mentioned above, C.A.EN. S.p.A establishes with its employees and collaborators a relationship of trust in which the employee's primary duty is to use the assets of the company and their working abilities for the company interest. Therefore directors, employees and collaborators must refrain from any activity likely to subordinate the interest of the Company to the private one or that could interfere with the ability of taking impartial and objective decisions for the company interest. Situations in which the conflict of interest may be verified deteriorates the company image and integrity.

Any activity likely to be judged at risk of conflict of interest must be certified with adequate, clear and complete documentation so that it allows at any moment the control on the grounds, the characteristics and the identification of those who at the various stages have authorized, performed, recorded and verified it. The respect for the protocol procedures allows, amongst other things, to spread and stimulate a culture of corporate control that contributes to improve the efficiency of management activities.

In case of contacts with subjects working in, directly or indirectly, the field of research and useful to the creation of a new working contract or other forms of cooperation or consulting, if from these contacts result situations of conflict of interest, which are suspicious in relation to the application of foreign normatives in conflict with the italian ones, it is necessary to inform the competent company organisms from which depends the relationship with the company or the company organism to wich we are member of.

5.15 Interpretative doubts

In case of doubts regarding the proper way to proceed, the employees are required to contact their direct manager (monocratic or collective body) or the Supervisor Board for what concerns its jurisdiction.

6 DIFFUSENESS AND COMPLIANCE OF THE CODE OF ETHICS

C.A.E.N. S.p.A. promotes the knowledge and the compliance with the Code of Ethics and with internal protocols to all employees and collaborators, requiring the respect and providing, in case of failure, appropriate and proportionate disciplinary or contractual sanctions. The subjects to whom the Code of Ethics is addressed should know the contents thereof and should contribute to its implementation, reporting any deficiencies and violations (or even attempted violations) of which they have been legitimately aware.

In accordance with article 2104 of the Civil Code and CCNL regulations, the compliance with the Code of Ethics is an essential part of the contractual obligations of C.A.E.N. S.p.A employees.

A copy of this code is given to each member of the Board of Directors and Board of Statutory Auditors, the responsables of auditing, as well as all employees, officers, agents, collaborators and suppliers and is brought to the attention of all those to whom it applies, when establishing a business relationship with CAEN S.p.A. The Code is available in electronic form on the internet and intranet CAEN S.p.A.

6.1 Corporate Governance

C.A.E.N. S.p.A. adopted a corporate governance system that complies with the Italian national law and with the best international practices. This system of corporate governance is aimed at maximizing the value for the shareholders, at controlling the risk management and transparency towards the market.

7 EXTERNAL RELATIONS

7.1 Public Administration, Institutions and Authorities

- a) The commitments to the Public Administration, Institutions, Research Institutes (such as INFN, CERN, Synchrotron, etc..) and Authorities (such as ANTTTRUST, the Privacy Commissioner/Guarantor etc..) is restricted to the company authorized functions, subject to the observance of strict laws and regulations and should in no way compromise the integrity and reputation of the Company. For this reason all documentation regarding contacts with public entities needs to be collected and stored according to the protocols of internal control.
- b) Business relations with any public research institute, even foreign, Supervisor Board or with any institution that regulates the free market activities, are based on respect, transparency and constructive cooperation. Under this principle the company does not deny, conceal, manipulate or intentionally delays any information required by the Authority or by other regulatory bodies, and actively collaborates in the course of the investigation procedures.

- c) The society body and their members, employees, consultants, collaborators, prosecutors or any other person acting on behalf of the company when dealing with the Italian Public Administration, adjust their conduct in order not to induce the Public Administration to infringe its principles of good administration and impartiality.
- d) The people in charge or specifically authorized to follow any business negotiation, inquiry or relationship with the Italian or foreign Public Administration, cannot under any circumstances illegitimately influence the decisions of public officials or public services, in order to take any advantages for the society. The company prohibits and condemns anyone that on its behalf promises or offers directly or indirectly money or other benefits to public officials and/or Trustees of the Italian Public Services or foreign, in order to take any advantages for the society .
- e) The Company prohibits and condemns any actions destined to obtain from the government, the European Community or other public institutions, any kind of assistance, funding, loan or any other income by issuing counterfeit or altered documents, by omitting information or by misleading the entities through a computer or telematic system. It is forbidden to allocate to purposes other than those for which they were granted, contributions, grants or funding received from the State or other public body or by the European Community including those of modest amount and / or value.
- f) The Company can not be represented, while conducting any activity with the Italian or with a foreign Public Administration, by third parties with whom it may be a conflict of interest. The company can not be represented in the reports and in conducting any activity with the Italian or foreign Public Administration, by third parties when, based on the information available, you can configure a conflict of interest in accordance with the legislation in force there.
- g) All operations and/or transactions must be legitimate, authorized, consistent, reasonable, documented, recorded and verifiable whenever necessary. Anyone acting on behalf of the company that purchases goods and/or services, including external expertises, must act in accordance with the principles of correctness, quality and professionalism and must work with due diligence.

7.2 Gifts, presents and other benefits

It is unethical to offer or accept favours, professional services and/or goods of great value to obtain a favourable treatment when working with the Public Administration.

When there is a business negotiation, inquiry or business relationship involving the public administration, it is improper to influence the decisions of the parties, including those of the officials who deal on behalf of Public Administration.

In any case, C.A.E.N. S.p.A. acts with the utmost caution in all its activities.

When tendering for the public sector, the Company operates respecting the national law and the market business practices.

When dealing with the public administration CAEN S.p.A. can not be represented by third parties with whom it may be a conflict of interest.

During a business negotiation, inquiry or business relationship with the public administration, the company cannot (directly or indirectly) perform the following actions:

- To examine or offer employment and/ or commercial opportunities that might unduly benefit the public administration employees or persons personally responsible for a public service;
- To offer gifts, except if covered by the general rule concerning the use of gifts of modest value;
- To ask for, or obtain, confidential information that could compromise the integrity or reputation of the parties.

7.3 Gifts and other benefits

Under no circumstances, even during special occasions, it is allowed to accept gifts, goods of great value, or other utilities susceptible of economic assessment, by those with whom it is developed a business relationship with CAEN.

In case of receiving gifts, goods or other utilities, apart from the exceptions described in the preceding paragraph, it is mandatory to notify the General Direction or a supervisor and provide directly or through the Personnel Department to return it/them to the donor

Under no circumstances, even during special occasions, it is allowed to offer gifts, goods, or other utilities susceptible of economic assessment, except for gifts of low value that do not compromise the integrity and reputation of C.A.E.N. S.p.A., to those who carry out a business relationship with CAEN.

If such occurs, it is necessary to be authorized by the General Direction and to provide adequate documentation to the Supervisor Board.

7.4 Political parties, trade unions and associations

Normally C.A.E.N. S.p.A. does not contribute to the financing of political parties, movements, political committees or individual candidates, as well as trade unions or their representatives, except, as regards the trade unions, for what it is foreseen by the specific regulations in action. The Company shall refrain from any direct or indirect pressure to politicians (such as conceding the company facilities, accepting hiring recommendations, consultancy contracts, etc...)

7.5 Internal relations

Notwithstanding the general principles set out above, CAEN S.p.A. intends to emphasise and enlarge them by virtue of the fundamental role played by human resources within the company.

7.6 Human resources

Human resources means the directors, employees, collaborators, agents, brokers, and anyone who collaborates (even if free of charge) with the Company. The management of work relations and cooperation is based on the respect for the workers rights and on the improvement of the value of their contribution that enhances the professional growth. All employees and collaborators shall act fairly in order to meet their obligations under the employment contract and as foreseen in this Code of Ethics, ensuring their professional services and the compliance with the commitments made to the Company and should avoid or abstain from situations and decisions likely to be judged at risk of conflict of interest with the Company.

7.7 Staff selection

The company assures the respect of equal opportunities when evaluating the personnel to be hired and bases this procedure in matching the candidate profiles to the business needs.

C.A.E.N. S.p.A. undertakes to adopt appropriate measures not to encourage forms of patronage during selection and recruitment stage, not accepting external pressures of any kind, even related to special educational background and knowledge of potential candidates.

C.A.E.N. S.p.A. does not stipulate employment agreements, autonomous or subordinated, with the directors of the company in charge of the accounting audit for the subsequent twelve months: at the contract termination between the Company and the audit company or at the end of the contractual relationship between the executive and the auditing society.

7.8 Employment

The staff is employed with a regular employment contract; any form of irregular work is tolerated.

At the beginning of employment each employee receives the following information:

- characteristics of the function and duties to be performed,
- regulatory elements and minimum wage levels as regulated by the national contract (CCNL),
- standards and procedures to be taken to prevent and avoid potential health risks associated with work activity (eg. light computer screens, sitting posture, use of the keyboard, mouse, etc..)
- delivery of a copy of the Code of Conduct by signing a receipt and explanation of the contents of the same,

In view of the specific type of activity, employees with a project work are regarded as an integral part of the type of employment.

Such information is presented to allow the employee a clear and real understanding of the assignment.

7.9 Personnel Management

The responsible use and fully exploit all the professionalism in the structure through the activation of the levers available to encourage development and growth of its employees, including targeted training. Training is given to groups or single employees according to the specific needs of professional development.

Any request of performances or personal favours or any conduct that violates the content of this Code represents an abuse of position of authority.

It is an abuse of a position of authority, subject to the configurability of the most serious cases, as an act due to their superior, to request personal favors or any conduct that violates the provisions of this Code.

7.10 Privacy policy

The Company is committed to protecting the personal data collected, stored and processed in the activities of management, in full compliance with laws on and under the guidelines and procedures prescribed.

All appropriate measures are adopted to avoid the risks of unauthorized access or treatment not allowed or not conform to the purposes for which they were collected and later identified.

In particular, employees not expressly authorized, is not allowed to know, record, process and disclose personal information of other employees or third parties in form and in terms of Legislative Decree no. 196/03 et seq. mod., law on the protection of personal data.

The processing of sensitive data (art.23 Decree. 196/03) will always be preceded by the expressed permission of the person, issued after specific information as provided by art.13 Decree. 196/03, (except for the exceptions provided by the Law).

The sanctions foreseen by the Law and the collective labor contract (CCNL) will be applied to the offenders, unless the configuration of more serious cases of criminal acts.

8 OPERATIONAL PROCEDURES AND ACCOUNTING DATA

Specific protocols, aimed to prevent adverse events and consequent potential negative impacts on the business situation, are inspired by the code of conduct and are set up - or should be supplemented and modified - following the analysis of business environment, aimed to highlight the risks around the company and the existing control system, and its actual appropriateness.

C.A.E.N. S.p.A. undertakes to be guided by the principle of separation of duties and that the individual operations are conducted at various stages by different entities, in order to avoid that unlimited and/or excessive power can be attributed to individuals.

About the accounting data, C.A.E.N. S.p.A. is based on the principle of maximum transparency, truthfulness, clarity, accuracy, completeness, taking all necessary procedures for implementing them and maintaining appropriate documentation to keep the file on every transaction made, in order to control at any time the causes and the reasons.

Anyone who becomes aware of conduct violations of this rule must promptly report to the Supervisory Board.

9 PROTECTION OF CORPORATE ASSETS

C.A.E.N. S.p.A. shall promote the use of all available resources to ensure, enhance and strengthen the company assets, in order to protect the Company, shareholders, creditors and the market.

It is forbidden, except in cases provided by law, to return in any form the profits, or to free the shareholders from the obligation to execute them, to share the profits actually not earned or allocated by law to reserve, (that is reserves not distributable by law); to purchase or subscribe for shares of the Company, to make reductions in capital, mergers or divisions violating the regulations governing the protection of creditors, or to falsely increase the capital, to meet in case of liquidation the claims of shareholders to the detriment of creditors .

10 RELATIONS WITH MASS-MEDIA AND INFORMATION MANAGEMENT

10.1 Modes of conduct

Relations with the press, media and information and, more generally, with external interlocutors, are required by the President, CEO and Board of Directors as well as by persons delegated or approved for any purpose, even without any formalities, according to internal procedures and practices adopted by the company.

Any request for information by the press or media received by CAEN S.p.A. staff must be communicated to the persons responsible for communication to the outside, before taking any commitment to respond to a request.

The communication to the outside must follow the principles of truth, fairness, transparency, prudence and must taken into account the protection of the reputation and image of the company.

10.2 Price sensitive information

It is strictly forbidden any form of investment, direct nominees, which finds its source in confidential information of the company.

Particular importance and attention should be given to the disclosure to the outside of documents (including electronic ones), non-public news and information related to events occurring in CAEN S.p.A sphere of activities which, if made public, could to influence the markets where the company operates.

In no case, in the information management, will be adopted behaviours that might facilitate insider trading or that could have as consequence the impoverishment of the corporate assets or are intended to cause undue self-advantages or to others.

10.3 Confidentiality

All those who in any way act on behalf of CAEN S.p.A., are required to maintain strict confidentiality - and therefore not to disclose or require unduly news - documents of all kinds (including electronic ones), know-how, research projects on business operations, contacts of the Company and, in general, on all information arising directly or indirectly, by reason of their function and employment status.

In particular, by confidential information or secret information are intended all information subject to specific laws or regulations as they pertain, by way of example but not limited to, national security, investment projects, inventions including computer programs, a private negotiation, confidentiality agreement, transaction, protected technologies or new industrial applications, as well as by contract or according to internal secreted rules.

11 CORPORATE INFORMATION

11.1 Availability and access to information

As greater clarification of the general principles mentioned above, CAEN S.p.A., within the limits laid down by legislation and in harmony with the provisions of the Company, provides timely and correctly the information, explanations, data and documentation requested by shareholders, customers, suppliers, authorities, institutions, and other stakeholders in carrying out their functions.

Any relevant corporate information must be communicated with absolute timeliness both to the corporate bodies that control the management of the company, and to the Supervisor Board.

A clear and complete company information ensures, among other things, the correctness of the relationships: - with associates, which should easily be able, in accordance with current legislation, to access to data information - with third parties who come into contact with the Company, who need to have a correct representation of the economic-financial assets; with the authorities, auditing and

internal controls boards who must be able to carry out effectively the activities of control and protection to safeguard the shareholders and also the whole market.

12 SUPERVISOR BOARD

CAEN appointed a collegial Supervisory Board as detailed in PG.11.01 - Supervisor Board, which is integral and substantial part of this code.

12.1 FEATURES

C.A.E.N. S.p.A. considers its Supervisory Board as a collegial body, for greater transparency and impartiality, in consideration of the absolute novelty and peculiarity of the activity, thus constituting a body with independent powers of initiative and control and a model meeting the requirements of the Decree. No 231/01 (art. 6 co.1 Lett. B), and the information provided on the associations.

The body responsible for monitoring the functioning and compliance of the organization, management and control model of the Code of Conduct is a major point of strength and would meets the following requirements:

- Autonomy and independence;
- Professionalism;
- Continuity of action.

Each year the CEO and the Board of Directors evaluated, during the verification of the adequacy of the organization, management and control model, the persistence of: adequate formal subjective requirements of integrity and no conflict of interest on individual members of the Supervisory Board, conditions of autonomy, independence, professionalism and continuity of action of the Supervisory Body, evaluating the possible revocation of the appointment.

12.2 Attributions

The Supervisory Board is responsible for overseeing the functioning and compliance of the organization, management and control system, and to indicate to the top management the guidelines for the constant updating and adaptation of the business needs and areas risk.

The Board works with impartiality, authority, continuity, professionalism, autonomy, and to this purpose: it has free access to all sources of information of C.A.E.N. S.p.A., it has the right to examine documents and consult data, it suggests any updates to the Code of Conduct and internal protocols, not least on the basis of reports submitted by employees, it carries out verifications on the functioning and compliance of the model; it can use, if necessary, the appropriate human and material resources to enable itself to operate quickly and efficiently.

The Supervisory Board also works with wide discretion and with the full support of C.A.E.N. S.p.A. top management, with which it cooperates with complete independence.

12.3 Feedback

In order to ensure the effectiveness of the organization, management and control system, C.A.E.N. S.p.A., in compliance with the privacy and of individual rights, establishes information channels through which those who are aware of any illicit behavior within the Company can report them freely, directly, and without any formality to the Supervisory Board.

The Board is responsible for verifying timely and carefully the received information, in order to refer the case to the top management and / or to the company responsible for any disciplinary sanctions or enforcement of mechanisms for resolving the contract.

The Company is responsible for ensuring that no one in the workplace, may be subject to retaliation, unlawful constraints, hardships and discrimination of any kind, for reporting to the Supervisory Board of the violation of internal protocols and of the Code of Conduct.

13 VIOLATIONS OF THE CODE OF CONDUCT: MOTIVATING SYSTEM AND DISCIPLINARY PENALTY SYSTEM

It is firm conviction of C.A.E.N. S.p.A. to highlight the centrality of human resources, responsibility and professionalism by promoting and raising awareness through the implementation of this Code of Ethics and the Model and internal protocols.

To this end, any potential risk situation must be reported promptly to the Supervisory Board together with any useful and meaningful advice helping to avoid potentially harmful behaviours for the company and the individuals working for it.

The Supervisory Board shall report the most useful recommendations and suggestions in order to give symbolic recognitions (e.g., wine, books, CDs etc.) to those who proposed them.

To this end the Supervisory Board, as part of his powers of reporting to the corporate governing bodies, shall have the right to report those signs and those suggestions considered as most useful so as to enable such governing bodies of the decision to award symbolic prizes (eg, wine, books, CDs and the like).

In any case, the violation of the internal protocols and the Code of Conduct, can undermine the fiduciary relationship between CAEN S.p.A. and its directors, employees, consultants, collaborators, customers, suppliers, commercial and financial partners, regardless of the external significance of such acts or by the establishment of a criminal prosecution in cases where they constitute a criminal offence.

The organization, management and control model requires, that the procedural guarantees provided by the Italian Civil Code and the Italian Statute of Workers (no. 300/70 L.) will be applied to the disciplinary procedures and the specific provisions of the applicable CCNL as indicated in PG.12.01 - Disciplinary System CAEN S.p.A.. to which we refer considering as integral and essential part of this Code.

The type and extent of the sanctions will be applied, proportionately to the violation and, however, in relation to:

- Intentionality of behaviour or degree of negligence, imprudence or inexperience with regard also to the degree of predictability of the event,
- Overall behaviour of the subject, with particular regard to the existence of earlier disciplinary reprimands

- Organizational position of the people involved in the acts constituting the misconduct and other special circumstances surrounding the violation of discipline, not excluding the existence of proper evaluation of the justifications.

Once ascertained the violations, the Supervisory Board reports them to the CEO which activates the internal organs responsible for initiating the necessary actions, communicating the result to the Supervisory Board itself.

In case of violations by managers or external consultants of the internal procedures and of the Code of Conduct, such as the adoption of behaviour contrary to the procedures and the Code itself, when carrying out activities in areas at risk, the Supervisory Board will evaluate the application of appropriate measures compliant with the current standards.

14 FINAL PROVISIONS

This Code is a basic element and a reference point for the organization management and control model, pursuant to Legislative Decree No. 231/01 and, its approval process and updating follows the rules it includes.