



ARISTON GROUP

Code of Ethics

November 7th, 2019

1. Introduction

This document, entitled “Code of Ethics” (also referred to herein as the “**Code**”), is an official document setting out the obligations and ethical responsibilities accepted by each of Ariston Group’s companies (**the recipient’s own company** and/or **Group Companies**) when carrying out their business and other activities. It also governs the rights, duties and general responsibilities accepted expressly by Group Companies when interacting with others in the performance of their activities.

In addition, the Code explains the principles and rules of conduct to be followed by Group Companies, as reasonable measures to prevent the crimes indicated in Decree 231 dated 8 June 2001 and violations of the Italian and EU antitrust regulations.

Taken as a whole and together with all the related enabling procedures approved by Group Companies, the Code is deemed to be an integral part of both current and future employment contracts.

Accordingly, violation of the instructions contained herein represents a disciplinary offence and, as such, will be followed up and punished by Group Companies. It may also be necessary to reimburse the losses incurred by them.

With regard to the collaborators, consultants and freelance personnel working for Group Companies and to other third parties in general, signature of this Code or an extract of it or, in any case, acceptance of its provisions and principles, is a fundamental precondition for the conclusion of contracts of any kind between them and Group Companies. The provisions accepted in this way, or approved on a de facto basis or otherwise, are an integral part of these contracts.

Given the above and depending on their gravity, any violations by third parties of specific provisions of this Code may justify application of penalties and in severe cases withdrawal by Group Companies in contractual relations with such parties. They may also be identified *ex ante* as a reason for the automatic termination of the contracts concerned.

2. Vision and Mission

Ariston Group **Vision** is “*sustainable comfort for everyone*”.

This means to provide everyone, in every corner of the world, with high-quality heating and hot water solutions, while protecting the environment.

Our **Mission** is “*to be the world’s preferred partner in delivering energy efficient and renewable solutions for heating and hot water*”.

The role of the thermal comfort sector in helping to reduce greenhouse gases and create an economy with a low carbon footprint is well known.

The experience accumulated over 90 years has been used to develop innovative products and sophisticated combined systems for water and space heating.

Ariston Group today demonstrates its commitment to energy efficiency via significant investment in renewable sources and the development of sophisticated, highly efficient

products, as well as in research, development and design having high technology-innovation content.

Social Responsibility was one of the founding principles of the first company, 90 years ago. The vision today remains that of the founder, Aristide Merloni: *“There is no value in the economic success of any industrial initiative, unless it is accompanied by a commitment to social progress”*.

This profound and deep-rooted respect for socio-economic development, for the environment, for the creation of local wealth, for open market competition and for cultural diversity has helped to position Ariston Group at the forefront in the sector on matters relating to climate change.

Over the past 20 years, Ariston Group has accelerated its presence in the thermal comfort industry and expanded its activities to the point where it has become the most global player in the sector, with most of its sales generated abroad. Moreover, it has plants and local branches spread across the globe.

The Group is at the forefront in mature economies and is the market leader in the principal rapidly developing countries.

3. Adoption of the Code of Ethics and its recipients

The Code of Ethics is addressed to all corporate bodies and their members, to employees, temporary and other workers, consultants and collaborators of every kind. It also applies to holders of mandates and all other parties empowered to act in the name and on behalf of the recipient's own company or other Group Companies (**Recipients of the Code or Recipients**). The Recipients of the Code, made available on the basis described below, must become familiar with its contents and comply with its requirements.

In particular, the management bodies of Group Companies agree to follow the principles underpinning the Code when establishing their corporate objectives.

The directors of Group Companies are responsible for the effective implementation of the Code and its communication both within and outside the organisation.

In addition to normal compliance with current regulations and the provisions of the collective payroll agreement, the employees of Group Companies agree to align their methods of working with the objectives and instructions contained in the Code. This commitment applies both to their internal working relationships and to their relations with parties external to their own company and other Group Companies including, in particular, the Public Administrations and other Public Authorities.

Mutually beneficial, collaborative relations with each and every Ariston Group company are - without exception - based on compliance by collaborators and other third parties with the principles and instructions set out in this Code. In view of this, when signing contracts or agreements with collaborators and other third parties, Group Companies must give them this Code of Ethics or, at least, a significant extract from it and requires that those undertake to comply with its content.

4. Values

Ariston Group abides by the following values when carrying out its activities:



PROCEED FROM INTEGRITY

"Acting with respect and honesty is not a choice. It's a duty".

Ariston Group encourages its people to act according to the highest standards of ethics and honesty. Everyone's behaviour must be inspired by respect and fairness towards colleagues, customers, suppliers and business partners.

PEOPLE COME FIRST

"Strength lies in diversity. Give people a chance. Pave the way to make them successful."

Ariston Group believes in teamwork and diversity, fosters the encounter of different cultures and welcomes new perspectives. We encourage resourcefulness, participation and accountability. We believe in meritocracy and create growth opportunities, enhancing the best resources of the Group wherever they are.

INSPIRE THROUGH EXCELLENCE

"Create opportunities and commit to make them happen. Explore, learn, improve".

Ariston Group pursues the goal of being the leader in its field. We aim at constant improvement through innovation and continuous generation of new ideas. We encourage our people to nurture a passion for learning and exploring new approaches to find multiple solutions. We look for fast and accurate execution and sharp reactivity to changing conditions and international contexts.

START FROM CUSTOMERS

“Listen, stay tuned and care. Deliver solutions that exceed expectations”.

Ariston Group makes customer satisfaction a top priority, aiming at creating value in offering products of the topmost quality and guaranteeing an excellent service. We look after our customers, accommodating their needs and providing the best available solutions.

BELIEVE IN SUSTAINABILITY

“Think ahead. Energy efficiency and comfort are possible and necessary. It’s worth it”.

Ariston Group believes in sustainable growth and acts accordingly. We commit to guarantee the maximum comfort at the minimum energy cost. We contribute to the conservation of our planet by granting access to the most efficient technologies and the best services all over the world.

5. Rules of conduct

The rules of conduct contained in this section specify the behaviour required when carrying out company activities in accordance with the values embodied in this Code.

5.1. Employees Protection

The consolidation of a corporate climate aimed at tolerance and respect for human dignity is encouraged; therefore, the Ariston Group internally rejects, first of all, any discrimination between employees and collaborators based on sex, ethnicity, language, religious, and political beliefs along with social and personal conditions. The Group encourages a work environment where the dignity of every individual is ensured, and the relationship between people is conducted on the basis of respect, fairness, and collaboration.

Hence it is forbidden:

- to use behaviours that can create an intimidating or offensive climate towards colleagues or collaborators;
- to behave in a way that may affect the feelings of others, including sexual innuendo (such as unsolicited physical contact, gestures, and affirmations with sexual connotations or images);
- to undertake retaliatory actions against any employee who in good faith opposes or reports any cases of discrimination, harassment or offense to the person

5.2. Collaborators

All Collaborators (comprising directors, employees and all those who, regardless of the legal form of their relationship, work under the management or supervision of Group Companies) must carry out their duties in a proper and transparent manner.

Obligations placed on Collaborators

All Collaborators must be fully aware of both the instructions contained or referred to in the Code, and the laws governing the activities performed as part of their duties. Compliance with such instructions and laws is a necessary and integral part of their work.

Collaborators with information about possible improper conduct must relay it through the official website www.aristongroup.com/en/governance/whistleblowing and the related online form <https://aristongroup.integrityline.com>.

Collaborators are also required to:

- a) avoid behaviour in conflict with such instructions and laws;
- b) request their immediate superiors and/or the HR Manager for any clarification needed about how to apply the Code and the relevant legislation;
- c) report on a timely basis any information about possible breaches of the Code to the HR Manager and, where necessary, to their immediate superiors;
- d) collaborate with the her/his membership company on any investigations designed to check on possible violations and apply sanctions;
- e) actively participate to the training initiatives performed by her/his membership company

All functional managers are required to:

- a) ensure compliance with the Code by all persons under their direct supervision;
- b) set an example to their staff by their behaviour;
- c) take steps to ensure their staff understand that compliance with the instructions contained in the Code is a necessary and integral part of their work;
- d) select employees and collaborators who agree to comply with the principles embodied in the Code.

All Collaborators who, acting in the name and on behalf of their own companies and/or other Group Companies, come into contact with third parties with whom their own companies and/or other Group Companies intend to commence commercial relations or maintain institutional, social, political or other relations, are required to:

- a) inform such parties about the commitments and obligations imposed by the Code;
- b) require respect for the requirements of the Code in the performance of their activities;
- c) take the necessary internal measures if third parties refuse to comply with the Code or fail, in whole or in part, to honour their commitment to comply with the instructions contained in the Code.

Each Collaborator must work diligently to protect company assets from improper or incorrect usage.

In particular, each Collaborator is required to adhere scrupulously to the company's security policies in order to safeguard its IT systems and avoid compromising the functioning of its IT applications.

Each Collaborator is required to comply with the principles of propriety, integrity, appropriate behaviour and confidentiality in the use of IT applications. Accordingly, all

behaviour that might in any way result in violations of policy adopted by Ariston or relevant laws must be avoided.

Each Collaborator is required to avoid all activities and situations that represent or might result in a conflict of their personal interests with those of their own companies and/or other Group Companies.

Each Collaborator is forbidden to participate, directly or indirectly, for any reason, in commercial initiatives that place them, potentially or otherwise, in competition with their own companies and/or other Group Companies.

If actual or potential conflicts of interest are identified with the company or externally, all parties involved are required to avoid conduct in conflict and inform the Supervisory Body on a timely basis. The latter is responsible for determining, on a case-by-case basis, the existence of any incompatibilities or prejudicial circumstances.

Lastly, each Collaborator must comply with the Antitrust Compliance Handbook and the *Vademecum* Antitrust issued by Ariston Group and delivered to her/him individually, ensuring that their behaviour (actions or omissions) does not alter free competition in contrast with Italian and EU antitrust law. Collaborators who become aware of breaches of the antitrust regulations by an Ariston Group company or its competitors must immediately inform their superior, the Group General Counsel and/or the Group Compliance Manager.

Selection and hiring and Career Advancement

Ariston Group Companies recognise the central importance of human resources, in the conviction that the principal success factor of every firm is represented by the professional contribution made by each person, in a context of reciprocal loyalty and trust. Accordingly, when selecting, hiring and advancing the career of individuals, each Ariston Group company makes appraisals based solely on matching required profiles with those of candidates, and judging their merits in a transparent and verifiable manner consistent with established policies and procedures. The management of employment relationships is designed to guarantee equal opportunities and facilitate the professional growth of employees.

Each Ariston Group company does not establish working relations of any kind with persons who do not hold a residence permit, and does not do anything to facilitate the illegal and clandestine entry of individuals in the Country and verify the regular presence of the candidate in the Country at the time of hiring.

Group Companies do not apply direct or indirect discriminatory practices (e.g. consideration of union activity, politics, religion, race, native language or gender) in the selection processes and career advancement process.

Each Ariston Group company protects the integrity of its employees and guarantees working condition in compliance with human rights and human being dignity. In particular, is prohibited irregular and forced work and employment of underage individuals; more over would not be tolerated act of violence, physical or psychological harassment, such as mobbing, sexual harassment, humiliation, intimidation and false accusation.

Group Companies respect employees' diversity and promote the maintenance of a positive and profitable relationship among Collaborators oriented to reciprocal respect.

5.3. Health, safety and the working environment

Each Ariston Group company gives great attention to the creation and management of working environments and workplaces that appropriately protect the health and safety and security of collaborators, in conformity with the relevant domestic and international directives.

In addition, Group Companies facilitate the physical health and moral of collaborators by providing safe and salubrious working environments and international transfers safe and protected, together with dignified working conditions and in compliance with applicable labour laws.

In order to ensure safety in the workplace, Group Companies base their operational behaviour on those principles and criteria deemed necessary and of primary importance, rather than on organisational and manufacturing requirements. In particular, they work constantly to:

- avoid risks;
- assess adequately any risks that cannot be avoided;
- tackle risks at source;
- adjust work to human needs, especially with regard to the design of workstations and the selection of tools, methods of working and production processes, seeking to minimise monotonous and repetitive tasks and reduce their effects on the health of individuals;
- take account of technical developments;
- replace the dangerous with the safe or less dangerous;
- plan for accident prevention, targeting a consistent overall approach that encompasses technical requirements, the organisation of work, working conditions, social relations and the effect of environmental factors;
- prioritise measures for collective safety with respect to those for personal protection;
- provide workers with proper instructions.

These principles are adopted when taking the necessary steps to protect the health and safety of workers, including the prevention of professional risks, the provision of information and training, and the organisation of work and the equipment needed.

From the very top down to operational level, Group Companies must adhere to these principles, especially when decisions or choices must be made and, later, when they are implemented.

5.4. Antitrust and fair competition

Ariston Group intends to operate in the market in compliance with competition rules based on merit, propriety and fair trading. Group Companies are committed to the scrupulous observation of all relevant laws.

For this reason, Ariston Group requires the Collaborators of each group company to adopt commercial behaviours that comply in full with European and Italian antitrust legislation and objectives, acting in accordance with Antitrust Compliance Handbook that each of them received, and which constitutes an integral part of this Code, notifying to the Group General Counsel and to the Group Compliance Manager any anticompetitive behaviour that comes to their attention in the performance of their duties.

5.5. Anti-bribery

Ariston Group does not tolerate any corruptive behaviour towards any public or private entity or individual, both from an active or passive perspective. Group Companies undertake to respect and to enforce applicable anti-bribery legislation.

Moreover, it is forbidden to take advantage or boast of existing or alleged relationships with an officer of Public Administration in order to give or promise to self or others, money or other utilities, as price of own illicit mediation toward the public officer, or in other to compensate him with respect to the performance of his/her functions or powers.

5.6. Gifts and benefits

No gifts may be accepted that might be interpreted as exceeding simple good manners or standard commercial practice, or as a means of gaining favourable treatment in the conduct of any business directly or indirectly associated with Group Companies. This rule - which has no exceptions, even in countries where the giving of valuable gifts to commercial partners is considered normal - covers the offer or promise of gifts or any kind of benefit, as well as those actually made. Group Companies avoid actions that are not allowed by law, commercial practice or the codes of ethics, if known, of the companies and bodies with which they do business.

5.7. Transparency of all transactions and activities

All transactions and/or activities must be legal, authorised, consistent, documented, verifiable, traceable and compliant with corporate procedures; they must be carried out on a prudent basis in the interests of the recipient's own company and/or other Group Companies:

- corporate procedures must allow checks to be carried out on transactions, authorisation processes and the way such transactions are performed;
- all collaborators who carry out transactions involving sums of money, goods or other economic assets belonging to Group Companies, must provide the reasonable and appropriate supporting evidence needed to check such transactions.

5.8. Accounting transparency

The accounting records and entries of Group Companies comply with the generally accepted principles of truth, accuracy, completeness and transparency.

Recipients of this Code agree to avoid any behaviour (actions or omissions) that directly or indirectly violates the standards and/or internal procedures governing the preparation of accounting documents and their presentation for external use. In particular, the Recipients of this Code agree to collaborate to ensure that all transactions are properly recorded in the accounting systems of the companies concerned on a timely basis, in accordance with legal requirements and the applicable accounting standards. Where necessary, such transactions must be properly authorised and checked.

Recipients of this Code are also required to retain and make available the supporting documentation needed for each transaction in order to:

- a) ensure the accuracy of accounting entries;
- b) ensure the immediate identification of its characteristics and the reasons for carrying it out;
- c) allow the ready, formal and chronological reconstruction of the underlying event;

d) allow verification of the decision-making, authorisation and implementation processes, in terms of legitimacy, consistency and reasonableness, and identification of the various levels of responsibility.

Recipients of this Code who become aware of omissions, falsifications or lack of care in making accounting entries or preparing the related supporting documentation must report the situation on a timely basis through the official website www.aristongroup.com/en/governance/whistleblowing and the related online form <https://aristongroup.integrityline.com>.

Group Companies arrange training programmes and refresher courses in order to inform the Recipients of this Code about the rules (laws, regulations, internal requirements, instructions from accounting bodies) governing the preparation and management of accounting documentation.

Ariston Group has also adopted a Whistleblowing management system that regulates the reception, management as well as the registration modalities of the notification received anonymously or not, by employees or third parties, related to illegal conducts or irregularities regarding laws and regulations, Code of Ethics and, in general, any procedure adopted by the Group.

This procedure guarantees the confidentiality of the reporting name and protect the reported person from potential malicious notifications, provided the potential active of the disciplinary procedure in such cases.

5.9. Internal controls

Group Companies promote at all levels the adoption of a mentality oriented towards the exercise of control. A positive and consistent approach to controls contributes significantly to the improvement of corporate efficiency.

Internal controls comprise all those tools adopted by the recipient's own company and other Group Companies in order to direct, manage and verify the activities of the business, with a view to ensuring compliance with the law and corporate procedures, safeguarding company assets, managing operations efficiently and providing accurate and complete accounting and financial information.

All levels within the organisation must contribute to the creation of an effective and efficient system of internal controls. Accordingly, for this reason, all employees of the recipient's own company and other Group Companies are responsible for the proper functioning of the system of internal controls relevant to their functions and duties.

Group Companies also ensure that the shareholders, the auditors (if appointed) and the other control bodies, including the Supervisory Body, have access to all the data, documentation and other information needed for the conduct of their activities.

5.10. Confidentiality

Collaborators are required to keep strictly confidential the information, documents, studies, initiatives, projects, contracts etc. that come to their attention in the course of their work, and to avoid communicating them to third-party competitors for the purpose of coordinating the market behaviour of the companies concerned.

Group Companies take steps to protect the information managed and avoid access to it by unauthorised personnel.

All information, especially that obtained during work performed for customers, must be treated as confidential and must not be divulged to third parties, or used to obtain a direct or indirect personal advantage.

5.11. Relations with shareholders

Ariston Group Companies seek to enhance their equity value by working to reward risk capital appropriately, with a view to improving their solidity on a sustainable basis over the medium to long term, in compliance with market rules and the principles of propriety and transparency.

Group Companies ensure that all decisions are made on a fully transparent basis, and pursue the objective of maintaining and developing a constructive dialogue with their shareholders.

Group Companies guarantee shareholders their right of access to corporate documentation and provide shareholders with any clarification requested about the activities of the Ariston Group.

5.12. Relations with customers

A primary objective of Ariston Group is to satisfy in full the needs of its customers, not least in order to establish a solid relationship with them based on such general values as propriety, honesty, efficiency and professionalism.

Against this background, Group Companies guarantee customers the best performance of the work awarded and seek constantly to propose ever more advanced and innovative solutions that promote cost savings, integration, efficiency and effectiveness.

Group Companies provide accurate, complete and true information so that their customers can make rational and informed decisions.

Their communications style is based on efficiency, cooperation and courtesy, especially in the dialogue with customers.

5.13. Relations with financial institutions

Group Companies maintain proper and transparent relations with financial institutions, with a view to creating value for Group Companies, their shareholders and all stakeholders. For this reason, financial institutions are selected with reference to their reputation and their adoption of values consistent with those embodied in this Code.

5.14. Relations with distributors

Relations with distributors are founded on the maximum transparency and collaboration, with a view to benefiting all parties.

Group Companies enter into proper contractual relations in good faith, in compliance with the shared values embodied in this Code and the rules imposed by the antitrust regulations.

5.15. Suppliers of goods and services

Group Companies establish collaborative relations with their suppliers, in compliance with current regulations and the principles embodied in this Code. In doing this, they make reference to the highest professional standards and best practices in terms of

ethics, the protection of health and safety, free competition and respect for the environment.

The procedures adopted by Group Companies for the selection of suppliers - based on objective and verifiable criteria - take into account, among other factors, economic value, ethical and reputational aspects, technical ability, reliability, quality of materials, compliance with stated quality procedures, and the credentials of counterparts. The Buying Office is required to request offers from several suppliers and to evaluate them on an equitable basis.

5.16. Partners

In order to deal with the increasing complexity of business, Group Companies promote joint ventures, investments in other companies and similar initiatives together with business partners, in full compliance with the domestic and EU antitrust regulations. These partners are selected with reference to their reputation and reliability, as well as their adoption of values similar to those embodied in this Code.

Relations with partners are based on transparent agreements and constructive dialogue, with a view to achieving common goals consistent with the rules and principles embodied in this Code.

5.17. Public Administration

Propriety and honesty

The relations of Group Companies with the Public Administration are founded on the principles of propriety and honesty.

Persons appointed by the recipient's own company or by other companies within the Ariston Group to conduct negotiations with, respond to requests from or maintain institutional relations with any Italian or foreign Public Administration must not, for any reason, seek improperly to influence its decisions or behave illegally by offering money or other benefits that might alter the impartial judgement of the person representing the Public Administration.

Without prejudice to the above, it is also forbidden to alter the content of commercial offers presented to Public Administrations, unless this has been authorised in advance by the manager of the function concerned following the receipt of written approval from the Supervisory Body.

Grants and funding

Group Companies are committed to providing complete, true and correct information in order to access contributions, grants or loans made available by the European Union, the State or other public bodies, even if these are of low value and/or amount. Such contributions, grants or loans must be used for the purpose for which they were requested and approved.

Similarly, in the event of participation in public procedures, the Recipients of this Code must operate in compliance with current legislation and proper commercial practices. In particular, they must avoid inducing Public Administrations to act improperly in favour of the recipient's own company and/or other Group Companies and, in all cases, avoid influencing their decisions to distort free competition.

Public supervisory bodies

Recipients of this Code agree to follow scrupulously the instructions given by the competent public supervisory bodies or institutions, in order to comply with current regulations governing the sectors in which they operate.

Recipients of this Code also agree to comply with all requests received from public supervisory bodies or institutions in the performance of their supervisory duties, providing - upon request - full collaboration and avoiding all forms of obstructive behaviour.

5.18. Relations with representatives of political parties and associations

Group Companies are transparent in their discussions with all political parties, in order to present properly their positions on matters and subjects of interest.

Group Companies maintain relations with trade associations, trade unions, environmental organisations and related associations, with a view to developing their activities, establishing mutually beneficial forms of cooperation and presenting their positions.

5.19. Contributions and sponsorships

Group Companies are willing to provide contributions and sponsorships, in accordance with the procedures specified and with adequate publicity, to support projects proposed by public and private entities and non-profit associations that are properly constituted under the law and which promote the values embodied in this Code.

5.20. Relations with the mass media

Relations with the mass media respect the right to information.

Data or information must be disclosed on a truthful, accurate, clear and transparent basis that respects the honour and privacy of individuals. Such disclosures must be coordinated and consistent with the policies adopted by Ariston Group. Information relating to the recipient's own company and/or other Group Companies may only be released to the mass media by delegated corporate functions, or with their authorization, in compliance with established procedures and the rules imposed by the antitrust legislation.

5.21. Use of banknotes, credit cards, duty-paid stamps

Aware of the need to ensure that business is conducted in a proper and transparent manner, Ariston Group requires recipients to comply with current regulations governing the use and circulation of cash, credit cards and duty-paid stamps and, accordingly, will severely punish any behaviour involving the illicit use or falsification of credit cards, duty-paid stamps and banknotes.

5.22. Activities in support of terrorism and the subversion of democracy

Group Companies require compliance with all laws and regulations that ban terrorist activities and the subversion of democracy and, accordingly, forbid belonging to associations with such objectives.

Ariston Group condemns the use of its resources to finance and perform any activities intended to achieve terrorist objectives or the subversion of democracy.

Each company employee, wherever working or located, is expressly forbidden to become involved in any practices or actions that may facilitate terrorism or subversive behaviour. In the case of doubt or faced with ambiguous situations, each employee is called on to discuss the matter with his/her superior or a company lawyer.

5.23. Organised crime

Ariston Group is aware of the risk that local organised crime might affect its business activities, leveraging it to make illicit gains, and is committed to preventing and contrasting the risk of criminal infiltration within its organisation.

To this end, recipients are required to comply with the procedures established by the company for evaluating the reliability of the various parties that have relationships with it (employees, suppliers of goods and services, customers).

All recipients are forbidden to submit to extortion of any kind, regardless of who makes the demands. In the event, each recipient is required to inform her/his supervisor and/or the Group General Counsel about the situation.

5.24. Illicit cross-border transactions

Ariston Group condemns all behaviour from director level down that might, even if only indirectly, facilitate such crimes as conspiracy, mafia and the subversion of justice. To this end, each Group company is committed to take all preventive and subsequent measures necessary to counter such behaviour.

5.25. Anti-money laundering

Ariston Group absolutely forbids to all Recipients to purchase, exchange or transfer money, goods or other assets known to come from a criminal source. Furthermore, recipients must not in this regard carry out other transactions that would impede identification of their criminal provenance.

Group Companies also forbid use in economic or financial activities of money, goods or other assets known to come from a criminal source.

In addition, Ariston Group forbids:

- the receipt of payments from encrypted accounts or from parties that cannot be identified;
- the making of payments to encrypted accounts;
- the making of payments to countries other than that in which the supplier is resident or where the service was provided, without appropriate motivation.

5.26. Protection of privacy - Use of the IT system and protection of authorship rights

Ariston Group pays particular attention to application of provisions regarding protection of personal data. In particular, in compliance with the principle of minimization of the data processing are collected only personal data requested by the law and strictly necessary to the execution of corporate activity, are formally identified the entities and individuals which can process such data, and are identified the retention terms with respect to different types of personal data, as well as are adopted adequate security and organizational measures in order to maintain the safety of collected data, in compliance with the Data Protection Manual and related procedure adopted by Ariston Group.

All business documents, e-mail messages and other materials containing corporate information, as well as all materials prepared using such documentation, are owned by the company and must be returned upon request by the company or on termination of the working relationship.

When using IT resources and data telecommunications, recipients must behave in a diligent and proper manner and comply with internal security rules and procedures.

Recipients must avoid activities intended to damage illegally the IT and data telecommunication systems of their own company, other companies, the State, public bodies and entities working in the public interest.

In no case, conviction that actions are beneficial to Ariston Group can justify illegal damaging of information, data and software owned by the Group itself or by third parties.

Ariston Group is committed not to reproduce, use, hold or spread intellectual works in violation of the property rights of their legitimate owners, and refuses all modifications or updates to operating systems and applications that violate the licence agreements signed with the suppliers concerned.

5.27. Respect for the environment

Ariston Group Companies respect the environment and ecosystem as a resource to be protected for the benefit of the community and future generations. In accordance with current regulations, Ariston adopts the most suitable measures to protect the environment and ecosystem, promoting and programming the development of activities in a manner consistent with that objective and organising awareness campaigns.

In order to reduce environmental risks, each recipient must work in accordance with the following principles:

- implementation of all actions needed to ensure compliance and alignment with the requirements of current legislation;
- constant updating of personnel on legislative and regulatory developments in relation to environmental matters;
- progressive inclusion of environmental care considerations in the activities carried out and work to raise personnel awareness of environmental issues, in order to achieve even higher standards of professionalism;

- monitoring of technological progress and assessment of its implementation if this will provide greater guarantees for environmental protection.

5.28. Trade Compliance

Group Companies comply with national and international laws and regulations regarding products exportation as well as regarding international economic sanctions. To this aim, are adopted internal procedures that provided counterparties screening (such as suppliers, partners, clients and employees), as well as a due diligence activity on products in order to verify periodically the correctness of exportation.

6. Implementation and supervision

6.1. Communication and training

This Code is drawn to the attention of all internal and external parties involved in pursuit of the corporate mission via specific communications and training activities.

6.2. Control bodies and mechanisms

This Code of Ethics is an integral part and represents implementation of the Organisation and Management Model (hereinafter “**Model**”) adopted by Italian Group Companies that adopted the Model in order to prevent the commitment of crimes, in the interests or for the benefit of the company, by the parties referred to in Decree 231 dated 8 June 2001.

6.3. Supervisory Body

The Supervisory Body, constitutes in each Italian Group company that adopted the Model, is responsible for checking the functioning and application of the Model, and its periodic updates. It also monitors compliance with the Code of Ethics by the Recipients of the document.

The Supervisory Body maintains its autonomy and independence, holds powers to investigate and check, and is empowered to take action to carry out the tasks assigned to it.

The tasks and responsibilities of the Supervisory Body are specified in the Organizational Model of each Italian Group company that adopted such Model

6.4. Powers of attorney and segregation of tasks

Group Companies use a system of powers of attorney and mandates under which certain activities can only be carried out by persons with specific authorisation.

Moreover, is provided a segregation of tasks between who authorized, who execute and who verify, in order that no one could manage autonomously the entire process; such segregation is guaranteed by the intervention in each corporate macro-process, of different subjects in order to ensure independence and objectivity and avoid, as effect, commingling of roles potentially incompatible or excessive concentration of responsibilities and powers in hands of single individual.

6.5. Penalties

In the event of violation of the Code of Ethics, Group Companies will take disciplinary action against offenders whenever necessary to safeguard the interests of the company. Any such action will be taken in full compliance with the legislation currently in force

governing labour contracts and disciplinary measures. This may result in the dismissal of the persons responsible, as well as claims for compensation for any consequential losses incurred.

No compliance with the Code of Ethics by members of corporate bodies may result in the adoption by such bodies of the most appropriate measures envisaged and allowed by law.

No compliance with the Code of Ethics by employees represents a breach of the obligations arising under their employment contracts, with all contractual and legal consequences. Such breaches expose the persons concerned to disciplinary action.

Violations by suppliers and external collaborators will be penalised in accordance with the terms of their contracts, unless the related breaches of the law are more significant.

7. Final provisions

7.1. Conflicts with the Code

Should even just one of the provisions of this Code conflict with the instructions contained in internal regulations or procedures, the contents of this Code shall in all cases prevail.

7.2. Changes to the Code

All modifications and/or additions to this Code must be made in the same manner adopted for its initial approval.

This Code is – at least annually – subjected to review and revised as necessary by the Board of Directors.