

CODE OF ETHICS

1. INTRODUCTION

1.1. Preamble

T.M. E. - Termomeccanica Ecologia S.p.A. (hereinafter referred to as “TME”) is a Company that has worked on the national and international market for years, in the field of designing and constructing green energy production plants (solid urban waste and renewable sources such as biomass, biogas, and wind energy), as well as plants for technological water treatment (making water potable, desalination, and purification). T.M. E. - Termomeccanica Ecologia S.p.A. believes that creating wealth constitutes the purpose and, at the same time, justification for being a Company, respecting the legitimate interests of all internal and external players, applying the principles of honesty, loyalty, correctness, and reliability, which are its own principles. It is precisely in light of the guiding principles that govern TME’s actions, that the Company has decided to adopt this Code of Ethics.

1.2. Meaning of the adoption of the Code of Ethics

This Code of Ethics was drawn up to ensure that TME’s core ethical values are clearly defined, and constitute the basic element of our Company’s culture, as well as to identify the behavioural standard to be met by Directors, Employees, and all who, by virtue of specific mandates or powers of attorney, represent the Company before third parties in doing business and in their activities.

The Code of Ethics is, therefore, a guide and support for Directors and Employees, in order to allow them to pursue the Company’s purposes in the most effective manner. It also represents a basic element of the organisational model for internal control.

1.3. Structure of the Code of Ethics

This Code of Ethics is an official document, approved by the Board of Directors of T.M.E. - Termomeccanica Ecologia S.p.A. It is made up of:

- The *general principles* that provide an abstract definition of the main reference values that TME applies in carrying out its activities.
- The *conduct criteria* that must be adopted by TME and the other recipients of this Code of Ethics.
- The *norms* to which TME and others are to adhere in order to prevent the risk of behaviour that is contrary to TME’s declared ethical values.

The Code of Ethics is a document that evolves continuously. All recipients can contribute to drawing up or improving the same, in the ways and forms described.

1.4. Field of application of the Code of Ethics

The following are the recipients of the Code of Ethics, and are obliged to observe the principles and related complementary rules and are subject to sanctions for violating the provisions contained therein: Controlling Shareholders, Managers, Auditors, and anyone who engages in management and control for TME.

All TME Employees and Associates, even occasional, are also recipients, obligated by the Code of Ethics, and subject to sanctions for violating its provisions.

Other obligated recipients of the Code of Ethics include Consultants and providers of professional services, partners in TME's initiatives, and anyone who acts in TME's name or on its behalf, or under its control.

Non-obligated recipients, and therefore not subject to sanctions for violating this Code of Ethics, include Shareholders, Consultants and Partners other than the cases indicated above, and all Stakeholders in TME (clients, suppliers, communities, and public administrations).

Respecting and sharing the principles laid down in this Code of Ethics on the part of non-obligated parties, could be a criterion for choice adopted by TME when selecting entities with whom it is to have ties.

This Code of Ethics contains the essential principles that are to form the basis of the Codes of Ethics to be adopted by all companies in which TME has a share and is therefore binding in terms of conduct on the part of the relevant Employees and Associates.

The norms contained in this Code of Ethics are valid both in Italy and in all Countries in which TME operates.

1.5. Availability of the Code of Ethics

This Code is to be brought to the attention of all employees by being put up on notice boards and in other accessible places and will be published on the Company's Intranet as well as being able to be consulted on TME's website.

2. GENERAL PRINCIPLES

2.1 Respect of legal norms

In going about their activities, Directors, Employees, and Associates, irrespective of how they are referred to by TME, are required to respect current laws, this **Code of Ethics** and all internal procedures and regulations. TME is specifically interested in its objectives being pursued in accordance with current norms.

Impartiality and non-discrimination

When defining company strategies and when taking any decision or line of action, any form of discrimination must be avoided, especially when based on race, nationality, gender, age, health, political or trade union opinions, or religious convictions.

Correctness

TME maintains irreprehensible behaviour, acting diligently and in good faith, and respecting any commitments made.

Loyalty and conflicts of interest

In carrying out any activity affecting TME, this must be done exclusively in the Company's interests and so, situations in which the persons involved find themselves in conflict of interests must be reduced to a minimum.

A conflict of interests occurs when a certain operation involves a person who has an interest, for themselves or for others, that is in conflict, even only potentially, with the Company's interests.

Therefore, employees and other recipients are to avoid any possible conflict of interests, especially related to personal or family interests (for example, the existence of financial or commercial ties with suppliers, clients, or competitors, improper advantages resulting from their role within the Group, holding or negotiating securities, etc.).

In any case, the person in conflict of interests is obliged to notify the head of the department and/or organisational unit to which they belong or with which they collaborate, in a timely, specific manner.

Transparency

TME provides their contacts with all necessary and useful information and clarifications, ensuring truth of information, transparency of actions, and full credibility.

Confidentiality

TME ensures the confidentiality of information and personal details processed and abstains from conduct that does not conform to *privacy* legislation. To this end, TME ensures a high level of security when selecting and using its Information Technology systems, used for processing personal details and confidential information.

Likewise, all those involved in running the business may not use company information and/or data for purposes other than carrying out their duties.

In particular, all employees and other recipients are strictly bound to observe current laws on abuse of confidential information and, under no circumstances, are they to use information not in the public domain for their own purposes,

obtained as a result of their position within TME, or because of business ties with TME.

Know-how developed by TME constitutes an essential resource that every employee and recipient is to safeguard. If such know-how is divulged improperly, TME may suffer damage in terms of both assets and image.

Therefore, employees and other recipients are required to refrain from providing third parties with information related to TME's technical, technological and commercial know-how, unless they are authorised to do so by their superiors or required to do so by law or other regulations, or where expressly provided for by specific contractual agreements by means of which the counter-parties have undertaken to use the same exclusively for the purposes for which said information is provided, and to maintain confidentiality of the same.

The confidentiality obligations prescribed the Code remain in force after termination of employment as well.

Cooperation

TME promotes cooperation and mutual collaboration, recognising the value of the human resources used in the Company's activity, in order to improve and enhance the professional assets of each employee and associate.

Safeguarding the environment and the Company's social responsibility

TME's commitment in relation to the environment is aimed at safeguarding natural resources and supporting local communities in the long term. TME wishes to instil a mentality that pays attention to the territory in all recipients of this document, in order to preserve resources and limit impacts on the environment. In particular, TME undertakes to reduce the environmental impact of its plants and production processes on the environment to a minimum.

Protecting the ecosystem and contributing to economic and social development of the places are the main objectives TME wishes to pursue.

Fairness and integrity in dealings with the Public Administration

In dealing with any relations or contact with Public Administration entities, fair treatment and integrity of conduct must be guaranteed, in full compliance with institutional functions. TME rejects any pressure, favouritism, or "particular" treatment aimed at obtaining undue or free benefits in the personal interest of the person involved, the public functionary, or TME itself.

Quality

TME aims its business at satisfying the requests of its Partners; therefore, it aims its activities at the highest quality standards for its products.

3. CONDUCT CRITERIA

3.1. Conduct in dealing with shareholders and with the market

T.M. E. - Termomeccanica Ecologia S.p.A. believes that the market is the only context in which it is possible to check and select the organisations capable of producing wealth, by means of free competitive comparison.

TME therefore sees the free market as the context required for its success and hopes for and facilitates affirmation of rules and practices that prevent dominant positions being created or any distortion of competitive practices.

TME adopts a system of Corporate Governance that conforms to legal provisions and guarantees the most complete information and transparency in decision-making and implementation processes and in entrepreneurial management decisions, in relation to its partners, as well as to the market in general.

The recipients of this Code of Ethics are absolutely forbidden to engage or collaborate in or give rise to conduct that includes the types of crime covered by art. 25-ter of Legislative Decree no. 231 of 2001, and to engage or collaborate in or give rise to conduct that, despite not constituting the crimes referred to above, are engaged in to support the carrying out of said deeds. All recipients, within their duties and activities carried out, are responsible for definition and correct functioning of the control system and are required to inform their superior and the Supervisory Board, in writing, of any omissions, falsifications, or accounting irregularities of which they become aware.

3.2. Conduct in corporate bodies' activities and in the company organisation

3.2.1. Corporate bodies' activities

The activities of TME's corporate bodies are marked by full respect of the rules laid down by the Articles of Association and by current legislation. They administer and manage TME according to principles of transparency, correctness, and fulfilment of all obligations of disclosure, prescribed by law, in relation to both supervisory bodies and any other recipient.

People who fill company positions within TME must not only respect the conduct principles contained in this Code of Ethics in carrying out their responsibilities and functions assigned, but are also duty-bound to:

- Regularly take part in meetings they are invited to attend.

- Carry out the duties assigned with loyalty and correctness, in accordance with the current norm.
- Facilitate communication and correct information within the Company, handling information they come to know as a result of their position as confidential. Each communication activity must both respect the laws and in-house codes of conduct and be aimed at safeguarding the Company's information and industrial secrecy.
- Refrain from using their position to obtain undue personal advantages, whether direct or indirect. The duties listed above are to be respected even after termination of relations with the Company.

In addition, the Company is managed in a way that achieves maximum safeguarding of its company assets, and of its partners, creditors, and investors.

3.2.2 Internal Control

The Company recognises the importance of internal control, taken to mean the process that seeks mainly to achieve continuous improvement and that is, therefore, aimed at facilitating the attainment of company objectives, safeguarding of resources, ensuring conformity to applicable laws and regulations, and drawing up financial statements and economic / financial data that are reliable, true, and correct.

In this sense, the Company's internal procedures regulate carrying out of the main operations and transactions, guaranteeing evidence of the principles of legitimacy, authorisation, coherence, correct documentation, and traceability.

In general terms, each operation is to be backed up by adequate, clear, complete documentation to be kept in the records, in order to make it possible to check the motivations for and characteristics of the operation at any time, and to provide a precise indication of who authorised, carried out, accounted for, and checked the various phases.

For this reason, the Company is committed to create and develop a combination of tools, procedures, and mechanisms over time that are suitable for managing functioning and monitoring of the organisation, being fully aware that an adequate internal control system is an element that characterises good company management.

All recipients of the Code of Ethics must:

- Act to manage an effective internal control system.
- Observe the procedures laid down in the protocols, each in relation to their own competences and functions.

The Management Body, responsible for the internal control system, is tasked with evaluating and contributing to improvement of the risk management and governance processes, checking that the internal control system is effective, efficient, and safeguards company assets, as well as conformity and respect of laws, regulations, and internal procedures. This body is also duty-bound to make directors, administrators, and auditors aware, in accordance with the gravity of an event that has occurred, of failure to abide by the principles of this Code of Ethics, the rules laid down in internal company procedures, and the normative requirements the Company is to meet.

3.2.3. Supervisory Board in terms of Legislative Decree 231/2001

TME has set up a Supervisory Board made up of 3 (three) members, tasked with supervising and monitoring implementation of the Code of Ethics. This Board deals specifically with:

- constantly monitoring application of the Code of Ethics by those involved, also by gathering any reports and suggestions.
- reporting any significant violations of the Code of Ethics,
- expressing binding opinions in relation to any revision of the Code of Ethics or the more relevant company policies and procedures, in order to ensure that they are coherent with the Code of Ethics itself.

3.3. Conduct in relations with the Public Administration

3.3.1. Relations with Public Officials, public functionaries, and public service concession holders

In going about negotiations and any other activity related to the awarding of contracts to be signed with the P.A. or any other body tasked with carrying out a public service, TME is to behave fairly, correctly, and transparently, and win any contracts based on the technical and economic quality of its tender, in honest competition.

TME must not create the least suspicion of having unduly influenced negotiations, and of wanting to obtain the related contract by means other than the quality of its tender.

During negotiation activities for public contracts, TME's Directors, Auditors, Employees, and Associates are forbidden to:

- Give or promise gifts, money, or other advantages to public officials and public service functionaries, in order to influence the impartiality of their professional judgement.
- Exchange information on technical / economic tenders with others participating in the tender process, even if they are TME's business partners who engage in other activities.
- Reach agreements with other participants, even if they are TME's Partners who engage in other activities.
- Send documents that are false or formulated in a misleading manner, certify non-existent requirements, or provide guarantees that are not true. Acting in a way that constitutes a crime of corruption, even in Foreign Countries in which such conduct is not punished or forbidden in some other form, constitutes a violation of TME's institutional policy. However, in Countries in which offering clients or others gifts is usual and acceptable, acting in such a way is possible, provided the gifts are of an appropriate type and of modest value, and that what is done always conforms to the law.

In order to avoid giving or receiving any undue payment, in all negotiations, Directors, Employees, and Associates are to respect the following principles in relation to documentation and the keeping of records:

- All payments and other monetary transfers made by/to TME, also to/from abroad, must be accurately and fully recorded in the accounting books and in the obligatory records.
- All payments must be made only to the recipients and for activities formalised contractually, and/or decided on by the Board of Directors.
- No false, incomplete, or misleading records must be created, and no secret and unrecorded funds must be set up (so-called “black funds”), nor may funds be deposited into personnel accounts or accounts that do not belong to TME.
- Unauthorised use of TME funds, resources, personnel must not be allowed to anyone. For the purposes of application of this document, Public Administrations are to be taken to be the Italian State and its administrations, territorial public bodies, and other public bodies, as well as the European Union and all its administrations.

The Supervisory Board will be responsible for investigating the veracity of suspects and, if the findings are positive, for taking suitable steps to avoid the commission of crimes.

3.3.2. Loans, public funds, or any profit for the P.A.

T.M. E. - Termomeccanica Ecologia S.p.A. may not take advantage of the Public Administrations, other than by legally being awarded contractual ties, by means of licitly obtained provisions, or by the paying out of windfalls of any nature, duly obtained and assigned to the purposes for which they were granted. This means that TME’s Directors, Auditors, Employees, and Associates are not to gain unjust profit at the cost of the P.A. in any way. In particular, they must not:

- Unduly receive contributions, loans, facilitated loans or other pay-outs of the same type, irrespective of the name they are given, granted or paid out by the P.A. by using or presenting false or mendacious documents, or by omitting to provide due information.
- Use contributions, subsidies, or loans intended for carrying out public works or activities in the public interest, for purposes other than those for which these were granted.
- Unduly procure any other type of profit (licences, authorisations, write-downs of expenses including social security, fiscal incentives, or failure to pay social security contributions, etc.) for themselves, for TME, or for anyone else, at the expense of Public Administrations, using means that constitute trickery and swindles.

- Engage in economic activities, grant professional appointments, give or promise gifts, money, or other advantages, to Public Officials involved in administrative procedures that may result in advantages for TME.
- Alter functioning of the P.A.'s computer or telematic system in any way, or take any action, without the right to do so, on data, information, or programs contained in any of said systems.

3.4. Conduct in relations with Third Parties

3.4.1. Economic ties with political parties, trade union organisations, and associations

Economic contributions to political parties, and /or trade union organisations and/or associations for political purposes, may only be made where deemed admissible and legal by the judicial ordinance of Italy or some other State, subject to prior approval by the Company's Top Management. No illegal political contributions are allowed, directly or indirectly, benefiting public officials, political parties, or political candidates. It is agreed, however, that TME employees may make personal contributions but, in no way, may they ask the Company to reimburse or pay these contributions.

3.4.2. Contributions and Sponsorships

TME may accept requests for contributions only following proposals coming from *non-profit* bodies or associations, or that have a high cultural or charity value.

Sponsorships may relate to social questions, the sporting environment, and show business and the arts.

In any case, when choosing to be involved, TME takes particular care to avoid any possible conflict of interests of a personal or company nature.

3.4.3 Free gifts, gifts, and other forms of benefits

No form of gift, donation, payment, or free gift of any kind is allowed, where this can be interpreted as exceeding normal business practices or courtesy, or that is aimed to acquire favourable treatment when it comes to making decisions or carrying out any activity related to or inherent to the Company. In particular, any form of gift to Italian and Foreign public functionaries, their relatives or acquaintances is forbidden, where this may influence their independent judgement or induce them to ensure any advantage. On a purely exceptional basis, only gifts or donations of a purely symbolic nature and, in any case, of modest value, may be accepted.

The provisions above relate to both gifts promised or offered and those received, where gift is taken to mean any type of benefit, even if indirect.

(merely by way of example: attending conventions free of charge, promising a job offer, etc.).

The Company's gifts are characterised by being aimed to promote initiatives of a cultural, sporting, and humanitarian nature, or the Company's brand image. Except for those of modest value, gifts offered must be adequately documented to allow them to be checked and must be authorised by the Heads of TME's Organisational Units and/or the competent TME's or Holding Company's Organisational Units, and reported to the Supervisory Board.

The recipients of this Code of Ethics who receive gifts or benefits that do not meet the acceptable parameters, are required to notify the Supervisory Board of the same, for the latter to evaluate the appropriateness and take whatever steps it deems most opportune.

Offering or accepting invitations to trade fairs, exhibitions, meetings or similar events, in order to develop good business relations and promote TME's image is allowed, within acceptable limits, only for people who are expressly authorised on each occasion, and that the same is not intended to condition the independence and impartiality of third parties in choices they have to make and that involve TME, even only indirectly.

3.4.4 Relations with means of communication

All news and communications going out from TME must be accurate and must be divulged, subject to authorisation, only by the company departments delegated to do so.

TME's communications to the outside environment must be true, clear, and transparent, and not ambiguous or instrumental.

Recipients of this Code of Ethics are forbidden to:

- Make commitments of whatsoever nature in response to requests from the press or other common means of information, unless duly authorised to do so beforehand. In any case, each request must be taken and evaluated carefully.
- Provide information to mass media representatives, without the express authorisation of the competent company departments.

Any person called upon to divulge any type of information related to TME's objectives, strategies, and results, to outside while taking part in conventions, public events, or for editing publications, are required to obtain prior authorisation from the hierarchical superior department and the department tasked with dealing with the mass media (or from top management themselves), in order to agree and share the contents of the declarations made, in line with the company's policies and internal development plans.

Relations with the mass media must always be marked by respect for the law, the Code of Ethics, and related Company protocols, with the prime objective of safeguarding the Company's image.

Under no circumstances is divulging false or misleading news or comments allowed.

3.5. Conduct in relations with Employees

TME considers attaining the company's purpose to be, first and foremost, a consequence of the capacity expressed in organising and enhancing the necessary professional skills and entrepreneurial creativity of the Company's human resources. They therefore form the basis of the Company's value, along with the consolidated products of their diligence, such as the organisational models, production technologies, and those specifically related to the product.

All relations with Employees are regulated by specific contracts, in fulfilment of which TME provides all the information required to define the characteristics of the duties and activities to be carried out, the normative elements that regulate the relationship set up, and the remuneration owing.

All Employees are to act loyally in order to respect the obligations taken on by signing the employment contract, ensuring the performance required and aligning their behaviour with observing the Law, the Articles of Association, internal regulations and norms, segment and company codes of conduct, and the Code of Ethics.

By means of suitable communication and training, TME makes their Employees aware of the contents and provisions of the Code of Ethics.

Employees in a position of responsibility

Those who hold a "head" role are to be an example. Their conduct is to show the validity of the concepts laid down in the Code of Ethics, and that they can be implemented. In their day-to-day actions they are to show their staff that respecting the Code is essential in doing their job, and not contrary to the business goals.

Personnel recruitment

In selecting its Employees, TME abides by the criteria of correctness and good faith, and focuses selection on how the candidates' profiles meet the Company's current and future needs, ensuring equal opportunities for all persons involved without any form of discrimination.

Setting up the employment relationship

Personnel are employed according to an employment contract that conforms to the conditions laid down by the relevant norm and joint-bargaining agreements. No irregular or "clandestine" employment situations are allowed.

Personnel management

TME offers all its Employees the same opportunities for access and professional development, seeing to it that they enjoy fair treatment based solely on merit.

Organisation of the Company must be aimed at facilitating a creative contribution from the professionals employed, in a context in which roles, rights, and duties are clearly defined in relation to the “company system”.

Health and safety

The Company undertakes to promote and consolidate a culture of safety, developing the awareness of risks and promoting responsible behaviour by all workers. In addition, especially by means of preventive actions, it acts to safeguard the health and safety of workers.

All those involved are required to conform strictly to the norms and obligations resulting from the reference health, safety, and environmental norms, as well as to respect all measures laid down by the internal procedures. The Company’s main objective is to protect and safeguard the health of workers, which it pursues by:

- Risk analyses related to the work activities and production processes.
- Adopting “good practices” and the best technologies.
- Implementing adequate prevention, protection, and health monitoring measures.
- Checking and updating work methods.
- Providing constant, appropriate training and information.

Particular care is taken when buying and using devices that are suitable for safeguarding the health of workers, and products that are not dangerous / harmful.

Smoking is forbidden in all workplaces, in conformity to the norm currently in force.

Safeguarding privacy

Information, data and know-how acquired, processed and managed by the recipients in carrying out their work tasks, must be kept strictly confidential and suitably protected, and may not be used, communicated, or divulged, either inside or outside TME, other than in conformity to the current norm and company procedures.

Every person who has to process data and information, is to avoid any action that may reveal information that belongs to the Company and that is not yet public. In particular, particular care must be taken to:

- Maintain confidentiality of news and information received in carrying out one’s duties, that are not the subject to disclosure.
- Fulfil their duty of confidentiality even after leaving the Company’s service.
- Only consult documents they are authorised to access, as well as using them according to their tasks, as well as allowing access to them only to those entitled to do so, and in conformity to the instructions given.
- Avoid divulging information or providing facts that are not true.
- Avoid impeding or obstructing the carrying out of checking activities legally assigned to company bodies or competent supervisory authorities.

- Avoid any dissemination of data by applying the security measures laid down, keeping documents entrusted to them in an orderly manner and carefully, and not making unnecessary copies.

More specifically, for aspects such as managing the computer system, managing, keeping, and destroying hard-copy documents and data kept in computerised format, and all aspects related to safeguarding and processing personal details in general, the recipients are to refer to the procedures implemented by TME.

Integrity and safeguarding people

TME undertakes to safeguard the physical integrity and moral profile of Employees under working conditions that respect the dignity of the person.

For this reason, it protects workers against acts of psychological violence, and counteracts any approach or behaviour that is vexatious or harmful to the person, their conditions, and their preferences.

Sexual molestation is not tolerated, and behaviour that may disturb the person's sensitivity must be avoided.

3.6. Conduct in relations with Outside Associates

The provisions related to employees contained in paragraph 3.5 above also apply to relations with outside associates, as applicable.

3.7. Conduct in relations with Suppliers, Contractors, and Sub-Contractors

TME has a specific policy of negotiating in good faith and transparently, with all potential Suppliers, Contractors, and Sub-Contractors, as well as avoiding even any hint of engaging in unjustifiably partial negotiations.

Supplies, contracts, and sub-contracts must be based on actual Company needs, and the choice of the counterparty to such contracts must only be done in terms of technical and economic parameters, in every case. The aim of selecting contracting parties must only take into account entities that provide precise guarantees of dependability and technical suitability for carrying out the services required in each case.

TME's internal bodies tasked with selecting, managing, and checking counterparties in contracts, are responsible for asking for, updating over time, and checking all elements of use for approving the counterparty in terms of technical and professional suitability. This is to be done in terms of current legal provisions in relation to health and integrity in the workplace, and by asking for information such as, by way of example, the company's organisation, personnel used, previous experience with other companies in the sector, financial statement data, and the percentage the price represents of their annual turnover.

In particular, in the case of Suppliers, Contractors, and Sub-Contractors that work for and collaborate with TME, before appointing them a check must be done that they are able to execute their contractual commitments regularly and

that no changes have occurred to their company's organisation that may comprise precise execution of the services required.

The execution of services by Suppliers, Contractors and Sub-Contractors must be marked by complete transparency, and TME is to have the right to carry out a check at any time, to determine actual execution of the service, and fulfilment of all contractual obligations. The amount for the supply and works commissioned, must be in line with the actual value of the services provided for by the contract.

When choosing a Supplier, Contractor, or Sub-Contractor and when stipulating the related contract, all legal norms and rules in relation to sub-contracting must be respected, especially for contracts in the public eye.

Each contract signed with Suppliers, Contractors, or Sub-Contractors is to formalise the commitment on the part of the counter-party to the contract to abide by all the principles laid down in this Code of Ethics and to respect all legal norms, failing which the contract will be terminated and compensation will have to be paid for all damages caused. Any form of recommendation or pressure on TME's bodies tasked with choosing Suppliers, Contractors, or Sub-Contractors, and/or any such action aimed at affecting the decision of the same in a way that is not according to the Company's interests, is forbidden. Any behaviour contrary to the laws of the Countries in which TME operates, is to be taken as being contrary to the Company's interests and will be prosecuted by the Company.

3.8. Conduct of Employees and Associates in relation to TME

Each employee and associate has to refrain from behaviour that is contrary to the Company's ethics, as laid down in this Code of Ethics, and that has an impact on the Company's image and reputation. Each employee and associate must know and implement all that is laid down by TME in terms of the security of information, in order to guarantee its integrity and confidentiality.

Each employee and associate must avoid situations in which conflicts of interests may arise and are to abstain from taking advantage of business opportunities personally, of which they become aware in carrying out their work.

In any case, any employee or associate in a potential conflict of interests is specifically obliged to notify the head of the department and/or organisational unit to which they belong or with which they collaborate.

In general, each TME employee and associate, is required to act with the required diligence, necessary to safeguard the Company's resources, avoiding improper use that may cause damage or a reduction in efficiency, or goes against the Company's interests in any way. Likewise, Employees and Associates are to see not only to protecting said assets, but also to prevent fraudulent or improper use of the same for their own advantage or that of others.

4. IMPLEMENTATION MECHANISMS

For the purposes of correct interpretation and application of this Code of Ethics, and for carrying out the related implementation and disciplinary procedures, a Supervisory Board is set up. This Board's duties include:

1) Supervising the observance, functioning, and updating of the Models in terms of Legislative Decree. 231/2001.

2) Interpretation and respect of the Code of Ethics.

The Supervisory Board enjoys autonomous powers of initiative and control. It has to monitor respect of this Code of Ethics and its principles, by all recipients.

All TME Employees and Associates who come to know of transgressions of the Code of Ethics and/or laws, as well as of any procedure or measure required to institute the managerial organisational model in terms of Legislative Decree 231/2001, are obliged to inform the Supervisory Board in a timely manner.

At least once a year, the heads of the individual departments are to report regular carrying out of the operating procedures, in conformity to this Code of Ethics.

Anyone who wishes to refer to the Supervisory Board is guaranteed anonymity and the utmost confidentiality in dealing with the information received.

Employees and Associates are required to cooperate, without reservations, in the investigative phases, and to provide all the information they have on such violations, irrespective of whether they deem them to be significant or not. Anyone may refer to the Supervisory Board in relation to doubts related to the provisions of this Code of ethics, or application of said provisions and the underlying internal procedures.

5. SANCTIONS

Irrespective of whether or not penal legal action is taken in cases in which conduct constitutes a crime, each transgressor of the individual rules of conduct prescribed by this Code of Ethics will be punishable by disciplinary sanctions, which may go as far as termination of their employment or collaboration contract.

To this end TME undertakes:

- To issue a detailed description to Employees of the sanctions that can be applied to them, in accordance with the Statute of Workers, and the procedures provided for in the joint-bargaining employment contracts.

- In relation to Associates, to include a specific termination clause in each individual collaboration contract in relation to violation of the norms of this Code of Ethics.

As regards Directors, violation of a norm contained in this Code of Ethics could constitute just cause for revocation of their appointment.

TME is to contest any violation of the fundamental principles of this Code of Ethics by main Suppliers, Contractors, and Sub-Contractors with them, and will allow TME to exercise their right to declare the contract(s) terminated. This express termination clause must be included in each contract with TME's main Suppliers, Contractors, and Sub-Contractors.

6. EFFECTIVENESS AND DISSEMINATION OF THE CODE OF ETHICS

This Code of Ethics comes into effect on the date it is approved by the Board of Directors, i.e. as of 19th July 2018, and it annuls and replaces the former code approved on 29th April 2005.

The Company undertakes to disseminate this Code of Ethics and any revision and/or change thereto, using adequate, appropriate means, in order to ensure precise knowledge of the same on the part of all the persons and entities involved.