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**ERG S.p.A.**  
**Code of Behavior in the matter of**  
**Internal Dealing**

*(pursuant to Article 114, paragraph 7, of Italian Legislative Decree no.58/1998)*



## ***Code of Behavior in the matter of Internal Dealing***

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Pursuant to the provisions of Article 114, paragraph 7, of Legislative Decree no. 58 of February 24, 1998, as amended and supplemented (hereinafter referred to as "*Testo Unico dell'Intermediazione Finanziaria*" [Consolidated Text on Financial Brokerage] or, in short "TUF") and Article 152-eighth of the Rules approved by Consob by resolution no. 11971 of May 14, 1999 (as amended), as finally amended by Consob resolution no. 15232 of November 29, 2005 (hereinafter referred to as the "Issuers' Rules"), ERG S.p.A. (hereinafter referred to as the "Company"), has adopted by Board of Directors' resolution of August 9, 2007 this Code of Behavior in the matter of Internal Dealing (hereinafter referred to as "Code of Behavior"), aimed at governing the reporting obligations vis-à-vis the market and/or the Company and/or Consob, relating to transactions having for their object the Company and/or the Financial Instruments related thereto (as identified in Article 2 below) performed, directly or indirectly, by the "Relevant Persons" as well as by "Persons Closely Associated with the Relevant Persons" (as identified in Article 1.2 below).

The compliance with the rules provided by the Code of Behavior does not relieve the Relevant Persons from the obligation to comply with the applicable provisions of law and regulations, such as, by way of example and not limited to, those provided by Articles 180 and following of the TUF, in the matter of abuse of price sensitive information and market rigging. Therefore, the knowledge of the content of this Code of Behavior cannot be considered as replacing the full knowledge of the applicable provisions of law and regulations in the matter of Internal Dealing, to which reference is necessarily made.

**Article 1 - "Relevant Persons" and "Persons closely associated with the Relevant Persons"**

**1.1 Relevant Persons**

For the purpose of this Code of Behavior, the words Relevant Persons mean:

- a) the members of the management and control bodies of the Company;
- b) the persons performing management duties within the Company and executives, who have regular access to price sensitive information (as defined by Article 181 of the TUF) and hold the power to make management decisions, which may affect the evolution and future prospects of the Company;
- c) the members of the boards of directors and the statutory auditors, as well as persons performing management duties and executives who have regular access to price sensitive information and who hold the power to make management decisions, which may affect the evolution and future prospects of the companies listed in Annex C hereto.

The Managing Director (CEO) of the Company shall ascertain, with the assistance of the General Secretariat, at least on a semi-annual basis (or, however, whenever he deems it necessary), the need to update the list of the companies set out in Annex C hereto and of the Relevant Persons listed in Annex D hereto, having particular regard to those persons who perform management functions within the Company and the executives who have regular access to price sensitive information (as defined in Article 181 of the TUF) and hold the power to adopt management decisions, which may affect the evolution and future prospects of the Company. On the basis of the controls made, the Managing Director shall give to the Incumbent described in Article 3 below, and should it be the case, the necessary instructions for updating the above-mentioned lists, giving subsequent information to the Board of Directors of the Company on the occasion of the first meeting of such body.

The Managing Director shall give the management bodies of the Relevant Subsidiaries the necessary instructions so that the Company is kept regularly informed about those events, which may entail an updating of the list of Relevant Persons as far as the persons set out in paragraph 1.1.c) above are specifically concerned.

## **1.2 Persons closely associated with the Relevant Persons**

For the purpose of this Code “Persons closely Associated with the Relevant Persons” means:

- 1.2.1) the spouse who is not legally separated, the children, including the dependant children of the spouse, and, provided that they have been living together for at least one year, the parents, the relatives and in-laws the Relevant Persons;
- 1.2.2) the juridical persons, the firms, and the trusts, in which a Relevant Person or one of the persons mentioned in paragraph 1.2.1) above holds, alone or jointly with another, the management function;
- 1.2.3) the juridical persons, directly or indirectly controlled by a Relevant Person or by one of the persons mentioned in paragraph 1.2.1) above;
- 1.2.4) firms whose economic interests are substantially equivalent to those of a Relevant Person or one of the persons mentioned in paragraph 1.2.1) above;
- 1.2.5) the *trusts* established for the benefit of a Relevant Person or one of the persons mentioned in paragraph 1.2.1) above.

## **Article 2 – Transactions carried out by the Relevant Persons or by Persons Closely Associated with them**

### **2.1 Reporting Obligations to the Company and Consob**

The Relevant Persons must notify the Company (according to the procedures set out in Article 4 below of this Code of Behavior) and the Consob, personally or through the Company, of any purchase, sale, subscription or exchange transactions (including the exercise of any option rights or stock options), having for their object shares in the Company or other Financial Instruments Linked to the shares of the Company, and performed directly or through a third party or trustees (hereinafter referred to as the “Transactions”) or any purchase, sale, subscription or exchange transactions (including the exercise of any option rights or stock options), having for their object shares in the listed subsidiary or other Financial Instruments Linked to the shares in the listed subsidiary, performed by them or by Persons Closely Associated with them, and performed directly or through a third person or trustees.

Pursuant to this Code of Behavior “Financial Instruments” linked to the shares in the Company mean:

- a) financial instruments enabling to subscribe, acquire or assign shares;
- b) debt financial instruments convertible into shares or exchangeable with shares;

- c) derivative financial instruments on the shares set out in Article 1, third paragraph of the TUF;
- d) the other financial instruments, equivalent to shares, represented by such shares;
- e) listed shares issued by subsidiaries of the Company, and the other financial instruments set out in paragraphs from 2.1.a) to 2.1.d) above linked thereto.

## **2.2 Exclusions**

It is pointed out that the following transactions shall not form the object of such notice:

- i) transactions whose amount, including in the aggregate, is lower than € 5,000.00 within December 31 of each calendar year;
- ii) the transactions carried out between Relevant Persons and Persons closely Associated with these;
- iii) the transactions carried out by the Company or its subsidiaries.

## **2.3 Determination criteria of the relevance threshold**

For the purpose of calculating the threshold of five thousand euro (€ 5,000.00) set out in Article 2.2. (i) above, the following criteria apply:

- for derivative Financial Instruments Linked to shares the amount is calculated with reference to the underlying shares;
- the overall amount of the transactions is calculated by summing up the transactions relating to the shares and the Financial Instruments Linked to the shares, carried out on behalf of the Persons Closely Associated with such Relevant Persons.

## **2.4 Reporting Obligation vis-à-vis the Persons Closely Associated with the Relevant Persons**

Each Relevant Person undertakes to deliver to the Persons Closely Associated with such Relevant Person, within a term of 5 business days after the receipt of a copy of this Code of Behavior and, in any event, to inform such persons of the basic conditions on which the Closely Associated Persons are required to comply with the communication obligations provided by Article 114, paragraph 7, of the TUF.

**Article 3 – Appointment of the Person Responsible for the Collection and Dissemination of Information**

The Head of the Corporate Affairs Department for the time being (hereinafter referred to as the *Soggetto Preposto* or "Incumbent") is the person responsible for receiving, managing and disseminating on the market the information relating to the Transactions notified by the Relevant Persons. The Incumbent shall avail himself of the operational collaboration of the people in charge of such function, who will perform the duties of the Incumbent in the event of his absence or impediment. In the framework of this Code of Behavior, any reference to the Incumbent shall be considered as also made, whenever applicable, to his substitutes.

The Incumbent shall perform this task in full compliance with his confidentiality, integrity and diligence obligations, taking care in never putting his personal interests before the Company's interests, avoiding, therefore, any situation of conflict of interests, including a potential one. In performing this task, the Incumbent shall also be inspired by and shall comply with the principles set forth in the Company's Code of Ethics.

The Incumbent shall also control the application of the Code of Behavior submitting to the Board of Directors any amendments and supplements thereto. He shall also report to the Board of Auditors, the Board of Directors and the Supervisory Body any breaches, which he finds and of which he becomes aware.

A copy of the updated version from time to time of this Code of Behavior shall be deposited with the Incumbent at disposal of all the Relevant Persons.

**Article 4 – Transmission of the Information to the Company**

The Relevant Persons must ensure that the Incumbent receives, according to the procedures specified below, at the Corporate Affairs Department of the Company a notice relating to the transactions described in Article 2.1 above, without delay and, however, **within three (3) open market days** after the date of the last Transaction that determined the achievement of the threshold of € 5,000.00, as determined pursuant to Article 2.3 above.

In the above-mentioned notice the Incumbent must also indicate whether the information on the Transaction has already been notified to Consob autonomously or whether he wishes to demand that said notification be made by the Company on behalf of the Relevant Person, pursuant to the provision of Article 152 eighth, paragraph 6, of the Issuers' Rules.

The notices must be sent by fax addressed in the name of the Corporate Affairs Department of the Company to the number 010/2401533 or 010/2401859, to the attention of the Incumbent. Should this be the case, it will be necessary that the Relevant Person advises by phone the Corporate Affairs Department (phone 010/2401898 – Danilo Lodola, or 010/2401714 – Marco Scollo, or 010/2401537 – Eliana Marescotti) for the purpose of ensuring that the information transmitted is received only and exclusively by the Incumbent or his substitutes. Moreover, the notice of the information may take place electronically to the following e-mail address:

AffariSocietari@erg.it. Upon completion of the receipt of the information, the Incumbent shall provide without delay the Relevant Person with a notice, by fax or e-mail, confirming the receipt of the notices.

The scheme of the data requested for the communication of the transaction by the Relevant Persons is shown in Annex A) hereto.

The forms are available and may be obtained from the Incumbent.

## **Article 5 – Transmission of the Information to the Outside**

### **5.1 Communication to the Consob**

On request of the Relevant Persons and subject to the prior consent of the Company, if the Relevant Person declares that he does not wish to provide thereto personally, the Company shall notify the Consob, through the Incumbent, of the Transactions set out in Article 2.1 above performed by the Relevant Person or by the Persons Closely Associated with the Relevant Person, by the end of the open market day following the receipt of the information.

The Company's Corporate Affairs Department shall provide all the necessary or useful assistance, for a correct communication.

### **5.2 Communications to the Market**

The Company shall publish, through the Incumbent, (according to the procedure provided by Article 66, paragraphs 2 and 3 of the Issuers' Rules) the information received from the Relevant Person by the end of the open market day following the day of receipt of the information.

A copy of the notice disclosed to the market shall then be published also on the web site of the Company.

### **5.3 Subsequent confirmation to the Relevant Person**

The Incumbent shall confirm to the Relevant Person that he has made the communication provided by Article 2.1) about the release.

### **5.4 Disclaimer of Liability**

However, the Incumbent shall not be responsible for any defaults and/or any delayed performance of the obligations of the Relevant Persons and/or the Company to notify Consob and/or the markets, if such defaults or late performance derive from the omitted, incomplete, incorrect or late communication made by the Relevant Person in violation of the provisions of this Code and/or Article 114, paragraph 7, of the TUF and/or Article 152 eighth of the Issuers' Rules.

**Article 6 - Prohibitions and Sanctions**

The Board of Directors of the Company may establish, if it deems it appropriate, the prohibition or limitation for the Relevant Persons, to perform, in certain periods of the year and close to the occurrence of certain transactions of the Company or companies belonging to the Group, the Transactions set out in Article 2 above of this Code of Behavior.

In any event it is established, now for then, that the Relevant Persons are prohibited from performing the Transactions provided in Article 2.1, paragraph 1 above of this Code of Behavior in the ten (10) open stock exchange days preceding the disclosure to the market of the Board of Directors' resolutions by which the preliminary balance sheet data, the quarterly reports and the multiannual plans or their revisions have been approved.

Any violations of this Code of Behavior by the Relevant Persons may be subjected to sanctions by measures to be taken by the Supervisory Body of the Company or the subsidiary with which the Relevant Subject is associated pursuant to Article 1.1, c) above, in consideration of a possible reiteration or the seriousness of the violation.

In particular, the following sanctions shall be applied:

- the disciplinary sanctions provided by the applicable provisions of law for employees working for companies of the Group;
- the termination of the relationship for collaborators and "third parties" in general;
- a formal reprimand, of which the Chairmen of the Board of Directors and of the Board of Auditors shall be informed, for the Directors and statutory Auditors or, in particularly serious events, the proposal to the Board of Directors of the Company concerned to convene a shareholders' meeting for the revocation of the mandate for cause of the Director or Auditor responsible for the violation.

It is also pointed out that the non compliance by the persons set out in Article 114, paragraph 7, of the TUF, with the provisions provided therein and those provided by Articles 152 sixth, 152 seventh and 152 eighth of the Issuers' Rules, are sanctioned pursuant to the provisions of Article 193, paragraph 1 bis, of the TUF.

**Article 7 – Amendments and Supplements**

The amendments and supplements to the Code of Behavior, if having a material nature, are remitted to the Board of Directors of the Company.

The Managing Director is also authorized to make to this Code of Behavior any amendments having a merely formal character and which do not alter, in the substance, the content of the Code, subsequently notifying thereof the Board of Directors of the Company on the occasion of the first useful meeting of such body.

The Incumbent has the duty to monitor the maintenance in the course of time of the effectiveness and functionality requirements of the Code of Behavior; to such purpose he shall make adjustment proposals of the Code of Behavior to the Board of Directors.

**Article 8 – Annexes to the Code and Distribution List of the Code of Behavior**

This Code of Behavior is inclusive of the following annexes:

- Annex A.- Form for the communication of the information on Transactions on Financial Instruments – Facsimile
- Annex B. - Information on Privacy
- Annex C. - Relevant Subsidiaries
- Annex D. - Relevant Persons

A copy of this Code of Behavior is delivered, together with an abstract of the relevant provisions of law and regulations (Articles 114 and 193 of the TUF; Articles 152 sixth, 152 seventh, 152 eighth, of the Issuers' Rules), to the following persons:

- Relevant Persons listed in the attached list.
- *Soggetto Preposto*/Incumbent.

This Code of Behavior is published on the web site of the Company in the Shareholders' Section (Corporate Governance).

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Genoa, August 10, 2007 <sup>1</sup>

<sup>1</sup> Last update on April 20, 2012.