



Backbone Infrastructure Foundation (BIF)

Code of Ethics

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1 Objectives and scope of application

The Backbone Infrastructure Foundation BIF (hereinafter “the Company”) operates in the sector of design and construction of large civil and infrastructural works, in Nigeria.

The Supervisory Board of Directors believes that ethics in business management is a condition for success and an instrument for promoting and protecting corporate image, a key element together with reliability, fairness and transparency towards all stakeholders.

To this end, the Supervisory Board of Directors has adopted this Code of Ethics to regulate, through rules of conduct, its corporate operations, by setting the general standards, which the entire organization shall comply with.

1.1 Objective of the Code of Ethics

The Company is aware that a good reputation resulting from the systematic application of ethical principles fosters investments in the Company, attracts the best human resources, promotes relations with commercial, entrepreneurial and financial stakeholders, enhances its reliability towards creditors and equanimity in the relations among employees and with suppliers; conversely, an unethical conduct jeopardizes trusting relations and could cause hostility toward the Company.

The objective of this Code of Ethics is to define the commitments and ethical responsibilities which shall guide the conduct of the Company, of its Directors, Managers, Employees and collaborators in performing operations; therefore, it shapes the corporate ethics profile.

1.2 Addressees and scope of application

The addressees of this Code of Ethics are all administrators, employees, stakeholders¹ and collaborators of the Company, with no exception, as well as all those who, directly or indirectly, permanently or temporarily, have relations with the Company and operate to pursue its targets, such as contractors, suppliers of goods and services.

All said addressees, therefore, have the obligation to be acquainted with the rules of the Code of Ethics, as well as to comply with the principles and standards of conduct contained therein, which shall inform their daily conduct, without prejudice to due respect for religious, cultural and social identities.

The rules contained in this Code of Ethics complete the rules of conduct that employees and collaborators are required to follow pursuant to the rules of ordinary diligence in conformity with the law and with the labour contracts. In no case, pursuing the Company’s interests may justify a conduct that breaches the laws in force or the rules of this Code.

In all business relations, all counterparties shall be informed of this Code of Ethics and of its contents, and they shall be contractually required to comply with the same.

To this end, in their relations with third parties, all addressees of this Code, according to their tasks, shall:

- ◆ suitably inform said third parties of the commitments and obligations provided for by this Code;
- ◆ demand fulfilment of the obligations directly concerning activity to be carried out by such third parties;
- ◆ adopt all appropriate measures, both internal and external, in case of non-fulfilment.

This Code of Ethics shall apply to all geographical and operating areas in which the Company operates.

1.3 Structure of the Code of Ethics

The Code of Ethics consists of:

- ◆ the general principles setting the Company’s mission and its main values;

¹ General principles of this Code of Ethics reflect the values in which the management firmly believes and recalled in the ethical policy widespread to all stakeholders of the Company.

- ◆ the conduct standards that shall be adopted by the subjects operating in the name and on behalf of the Company, in their individual conduct;
- ◆ other rules to be followed, in compliance with the general principles, in order to prevent risks of unethical conduct resulting from the management of the network of relationships;
- ◆ the criteria for the implementation and control of this code and the sanctions applicable to noncompliance cases.

2 Corporate mission and values

In its activities, the Company has identified its pivotal values informing the conduct of all those acting on its behalf, in order to ensure that corporate businesses and operations are performed with fairness, thus protecting the Company's equity and image, as well as the expectations of all reference stakeholders.

Honesty, fairness, integrity, transparency, impartiality, confidentiality, respect for and protection of the environment, as well as of occupational health and safety, are the values that inform the Company's activity and that represent essential values to achieve its economic, production and social objectives.

A coherent implementation of the corporate values is based on the firm cultural, technical, operational and ethical contribution from everyone; such contribution has to be deployed while fulfilling one's responsibilities and powers, as conferred by the organization, with regard to both individual and collective conduct.

The individual field includes activities that require almost exclusively a personal commitment for ethical principles to be implemented; the collective field includes the same conduct in overall relations with stakeholders involving individuals.

2.1 Respect of human rights

In making decisions that impact on relations with its internal and external stakeholders, the Company considers of utmost importance avoiding any discrimination relating to age, sex, sexual orientation, health conditions, race, nationality, political opinions, religious faith.

The Company, regarding the racial, ethnic, national and religious equality mentioned above, refuses and denies any type of racial expression and xenophobia, namely any form of participation in organizations, associations, movements or groups having among their scopes the support of discrimination and violence because of racial, ethnic, national or religious motivations, namely the propaganda or the instigation and incitement.

The Company supports and respects human rights, in compliance with UN Universal Declaration of Human Rights and with the European Convention on Human Rights, namely in conformity with any Nigerian specific norms.

2.2 The value of human resources

The Company acknowledges the central role of human resources as a main factor of success of any business activity, based on mutual loyalty and trust between employers and employees.

For such reason the Company protects and promotes the value of human resources, aiming at improving and enhancing the professional skills, experience and expertise of each employee and collaborator, also by implementing training initiatives.

Work relations shall comply with the applicable collective bargaining agreements³ and with social security, tax and insurance legislation; for a work relation to be established, the worker shall sign, together with the labour contract, also a commitment to comply with the principles set forth in the Code of Ethics.

In staff management processes, decisions are based on the measurement of value, using a meritocratic logic; the same criteria apply to the access to positions or tasks.

In the event of corporate reorganization, the Company shall protect the value of human resources implementing, where necessary, professional training and/or retraining.

The Company implements measures so that, in the hierarchical relations with employees, the exertion of

authority does not become detrimental to the employee's dignity, professionalism and autonomy in performing activities.

2.3 Worker's integrity

The respect for personal cultural and physical integrity is a pivotal ethical value for the Company; it is guaranteed through work conditions respectful of individual dignity and through a suitable work environment; to these ends, the Company operates in technical, organizational and economic conditions such as to ensure appropriate accident prevention and a healthy and safe work environment, in full compliance with the legislation currently in force, adopting all necessary defining, preventive and precautionary rules.

The Company commits to circulate and enhance safety culture, promoting risk awareness and responsible conduct by all collaborators.

2.4 The Value of Reputation

In the awareness of the importance of its operations and of their impact on the economic and social development, the Company aims at adjusting its own targets to the country's general interests. For such reason the Company performs its operations fully respecting communities, associations, institutions, both local and national, to acquire a high-level reputation, which can contribute to legitimizing its operations within the community.

The Company's good reputation and image, therefore, represent an essential immaterial asset.

Good reputation is an attracting factor for potential investors and for the best human resources interested in working with the Company. It facilitates relations with commercial, entrepreneurial and financial stakeholders, as well as with public and private clients. Pursuing a good reputation allows to make and implement decisions mitigating possible conflict factors, as well as to organize work in a context of mutual respect, without necessarily turn to authoritative measures.

2.5 Ethical principles and enhancement of value of equity investments

The Company commits to safeguard and increase its value, thus enhancing the value of the shareholders' investments, always complying with the principles of free and fair competition; to this end, the Company implements its activity so as to achieve competitive results, which reward skills, experience and efficiency.

The Company and its collaborators shall adopt a fair conduct in managing businesses and in their relation with the public administration and with private customers; any action aiming at altering fair competition conditions is contrary to the Company's policy and is inhibited to all subjects acting on its behalf.

2.6 Administrative Management

In preparing the financial report and any other form of corporate information and accounting document, the Company complies with the laws and regulations in force and adopts the most advanced accounting standards and practices.

The financial reports and the financial statements give a true representation of the Company's performance (with reference to assets as well as to economic and financial situation) based on transparency, accuracy and completeness principles; to this end, appropriate and complete documentation substantiating the activities carried out is recorded, so as to allow:

- ◆ accurate registration of each activity;
- ◆ immediate definition of the characteristics and reasons of said activity;
- ◆ easy formal chronological reconstruction of activities;
- ◆ review of the decision-making, authorization and implementation processes, as well as the identification of the various levels of responsibility and control.

Each account registration reflects exactly the evidence provided for by the supporting documents. Therefore, each employee or collaborator charged with this activity has to ensure that the supporting documentation can be easily found and is recorded based on logical criteria and in accordance with the internal provisions and procedures.

No payment shall be made on behalf of the Company without appropriate supporting documents.

The financial/accounting systems shall allow effective reconstruction of all management events and a true representation of all corporate transactions, also in order to identify the reasons of the transactions and the various level of responsibility, pursuant to the financial traceability obligations imposed by the law.

2.7 Information Management

The Company undertakes to manage the information flow to stakeholders, so that said information is always complete, clear and transparent and so that, with regard to technical, financial, accounting or management data, said information complies with the standards of truthfulness, completeness and accuracy.

The Company organizes the information flow so as to observe the specific path established to prevent crimes.

The Company also ensure confidentiality of the information it holds, defining and revising the procedures for personal data processing, in accordance with the legislation in force.

2.8 Management of environmental issues and impacts on the environment

In performing its activities, the Company commits to contribute to the protection of the environment, pursuing a balance between its economic targets and unavoidable requirements for preservation; therefore, the Company adopts a responsible conduct with regard to protection of the environment, setting a continuous improvement of its environmental performances as a target. This commitment extends also to the Company's subcontractors and contractors working in its construction sites.

In compliance with the national and international legislation on the environment, as well as with contractual requirements, this commitment is substantiated through planning, processes, methodologies and materials which are based on the developments in scientific research and on the best practices on environmental issues, and which shall contribute to territorial balance, pollution prevention, rehabilitation of polluted area and landscape protection.

When it promotes, designs or outsources the design of construction or infrastructural projects, the Company makes sure that all necessary surveys are performed in order to assess possible risks for the environment resulting from the project and to prevent possible damage. The Company commits to involve and motivate all its staff through information and training activity on environmental issues.

2.9 Prevention of crimes

The Company, its employees and collaborators are committed to preventing and avoiding actions that could be linked to the performance of crimes in carrying out activities.

The Company promotes special commitment and implements the relevant measures for the mitigation of the risk of crimes involving undue interests or benefits for its organization, especially with reference to crimes entailing corporate liability of the Company.

3 Ethical principles in the individual sphere

3.1 Ethics toward the Company

Without prejudice to the provisions of the legislation, of the individual labour contract and of the collective bargaining agreements in force, as well to the obligations resulting thereof, each employee and each collaborator

shall avoid a conduct that contrasts with the corporate ethics, as set forth in this Code of Ethics, which can impact on the Company's reputation and image.

3.2 Integrity, impartiality and compliance with the rules

Integrity represents the fundamental ethical principle for all the Company's activities to pursue its mission. Relations with stakeholders, at all levels, shall be inspired by fairness, collaboration and mutual respect.

In performing their tasks, the Company's employees and collaborators shall give preference to compliance with the law before any other interest, and shall conform their decisions and conduct to the respect of the task assigned. In no case, pursuing the Company's interests may justify a personal conduct that breaches the laws in force and the rules of this Code.

In performing the relevant duties, it is forbidden to employees and collaborators to discriminate in relation to age, sex, sexual orientation, health conditions, race, nationality, political or trade-union related opinions or religious faith.

Employees shall reject any unlawful pressure, enticement or requests of favours that could be detrimental to their integrity or to the impartiality of their tasks, and shall promptly inform their superiors or should said unlawful pressure come from their superiors, inform the relevant human resource office.

Employees may not accept nor consider recommendations or suggestions, however called and in any form, to the benefit or to the detriment of any person concerned by or participating in procedures for awarding works, supply or services contracts, legal proceedings or internal and/or external recruiting, if such recommendations or suggestions may exert an influence on said procedures.

Employees that aspires to a promotion, transfer or other measures, shall not unduly try to influence the persons responsible for adopting the relevant decisions, nor shall ask anyone else to do it.

Employees shall carry out the files/issues they are charged with according to chronological order of the requests or according to priority.

3.3 Use of corporate assets

Corporate assets are assigned to staff based on the work activity performed; therefore, the use of the same shall be limited to the performance of the assigned functions. The staff shall adopt a responsible conduct complying with the procedures set for the use of corporate assets, substantiating, where required, the relevant use.

It is prohibited to alter in any way the functioning of equipment, machines or IT or telematic systems, as well as unlawfully interfere in any way with data, information or programmes contained in an IT or telematic system or in any system related thereto.

3.4 Information management

Employees and collaborators shall use confidential information and data acquired while performing their work activities only for the purposes permitted by law or by the internal regulations, and shall avoid using such confidential information and data for their own or for third party's private purposes; this obligation shall extend also to non-confidential information or documents which become available due to the work activity performed. Employees and collaborators shall consult only deeds and files they are allowed to and shall grant access to third parties only in the cases envisaged by law, and to colleagues due to work reasons, in compliance with the instructions issued by the relevant department.

The Company's employees and collaborators shall adopt the highest standards of confidentiality also outside working hours, in order to protect the corporate know-how. As a consequence, without prejudice for compliance with rules on privacy protection, they shall keep professional secrecy and shall keep data and information acquired in the performance of their duties confidential. The confidentiality obligation shall be complied with also after the work relation has terminated.

3.5 Conflicts of interests

Conflicts of interests are all legally irregular situations, in which an employee, collaborator or director exercises powers granted to him by the Company and at the same time stands for economic, personal or third party's interests that are incompatible with said powers.

All employees and collaborators shall avoid situations in which conflicts of interests could arise and shall avoid to advantage themselves or third parties from activities carried out while performing their work tasks.

In case a conflict of interest arises, the employee/collaborator shall inform his/her direct hierarchical superior or the office and/or unit head which he/she reports to.

3.6 Work environment

Each employee or collaborator of the Company shall be required to comply with the rules of living together and of fair social and business relations at work, as envisaged by laws and regulations, as well as by common practices.

The Company recommends its employees to maintain a work environment that respects other people's sensitivity. Therefore, anyone who does not behave in accordance with the rule of living together as well as with safety standards during the work activity and at work shall be held responsible of having willingly jeopardized the existing environment; in particular, it is prohibited:

- ◆ working under the effects of alcohol, narcotics or of substances having similar effects; ☒ using or circulating narcotics, under whatsoever qualification, during work activity.

Conditions of chronic addiction to similar substances, where they can affect the quality of the work environment, shall be deemed – with regard to contractual effects – equivalent to the above-mentioned cases.

Relations between employees, at all levels, shall be informed by fairness, collaboration and mutual respect. The Company demands that no harassment be performed in both internal and external work relations, harassment meaning, by way of an example:

- ◆ creating an intimidating, hostile or isolating environment towards single workers or groups of workers;
- ◆ unjustified interference with the performance of others' work activities;
- ◆ hindering others' work prospects for personal competitiveness reasons.

In managing hierarchical relations, authority shall be exercised impartially and fairly, avoiding any abuse whatsoever. Sexual harassment shall not be tolerated and all conducts and remarks that could bother personal sensitivity shall be avoided too.

3.7 Workers Union

All addressee, employee and collaborator shall, having agreed with the rules under this code of ethics, not engage in union activities within the group and all of its subsidiary companies.

No formation of organised or semblance of a union in any form shall be allowed.

All hierarchical authorities shall ensure the work environment is not used or converted for union activities.

Proper administrative procedures shall handle issues affecting workers.

3.8 Obligation to inform

All addressees of the rules contained herein becoming aware, for work reasons, of any existing administrative and procedural irregularities, omissions or falsifications shall immediately inform their hierarchical superior and, in the event that such irregularity involves also the head of the same office, they shall inform the latter's superiors.

Should information in one's possession imply commission of any crimes pursuant to Swiss or Nigerian legislative laws, the Company's Internal Supervisory Body shall be promptly informed.

4 Ethical principles in relations

The complexity of corporate activities is directly linked to the internal and external relation network which the Company maintains with the various stakeholders and which has a multiplying effect on single conducts. In developing the relations arising therefrom, the Company requires its Directors, Employees and Collaborators to adopt conducts that comply with ethical principles similar to those required with regard to personal conduct.

Stakeholders are those subjects (individuals, groups, organizations, institutions) whose contribution is required to attain the Company's corporate mission or who have however an interest in its achievement. Stakeholders include shareholders, the Chairman, the Chief Executive Officer, financing bodies, customers, suppliers, collaborators (either employees or freelancers), the public administration, the community.

Maintaining and developing trusting relations and cooperation with stakeholders is, therefore, a primary interest of the Company, also for the mutual satisfaction of the parties concerned.

Activities of the Corporate Bodies

The activities of the corporate bodies (Supervisory Board of Directors, Chairman, Shareholders' General Meeting, Chief Executive Officer, Boards of Auditors) are informed by full compliance with the rules envisaged by the Company's Articles of Association and by the current legislation, both Nigerian and European.

The members of the corporate bodies shall:

- ◆ proactively devote themselves so that the Company can have a benefit from their specific competences;
- ◆ continuously take part in the activities of the corporate bodies, promptly notifying any conflict of interests which they are involved in;
- ◆ keep all information acquired in performing their duties confidential; always let the interest of the corporate mission prevail.

The Company corporate bodies shall take the necessary initiatives so that shareholders can participate in the relevant decisions with full awareness and shall act so that all shareholders receive the same information.

4.1 Relations with shareholders

The Company performs its operations providing shareholders with appropriate information on corporate strategic choices and on the Company performance.

4.2 Relations with customers

The Company's activity is based on quality and full customer satisfaction.

In its relations with customers, the Company shall ensure fairness and transparency in business negotiations and in assuming contractual obligations, as well as an accurate and diligent contract fulfilment.

In participating in calls for tenders, the Company shall carefully assess congruity and feasibility of the required performances, regarding in particular the technical and economic conditions, pointing out, promptly where possible, any anomaly; the preparation of bids shall aim at compliance with appropriate quality standards, with fair remunerations for employees and with safety measures in force.

In conducting any negotiations, it shall be avoided any situation in which the parties of the transactions are or are perceived to be in conflict of interest.

4.3 Relations with third parties and public administrations

The Company's relations with any stakeholder, either public or private, shall be conducted complying with the law and with fairness, transparency and traceability requirements.

Relations with public officers shall abide by the Code of Conduct relevant for employees of the public sector.

The Company's employees and collaborators are prohibited from giving or promising money or other benefits to public officials, persons managing public services, supervisory authorities, representatives or employees of public bodies, social security bodies, bodies in charge of tax collection, bodies in charge of bankruptcy, civil, criminal, or administrative proceedings, bodies engaged in safety issues and accident prevention, in any form that could condition, directly or indirectly, the activities of said subjects; this principle shall apply both in the event that the conduct is adopted solely in the interest of the acting person, and in the event it is adopted to the Company's benefit or interest.

This conduct shall apply to transactions relating to contracts, authorizations, licenses, concessions, applications for financing and contributions from public bodies, project management, in which giving or promising gifts in any form or granting benefits is prohibited, if this exceeds ordinary practices and customs. These are explicitly prohibited with regard to supervisory activities performed by said bodies on the Company.

However, before offering gifts or benefits, each employee or collaborator of the Company shall, in case of employees, ask the relevant office and/or business unit manager for authorization, or, in case of collaborators, inform the manager of the office and/or business unit which he/she collaborates with, in order to agree on the conduct to be adopted.

In order not to perform actions in contrast with the rules of law or however that could prejudice the Company's image and integrity, the above-mentioned operations and the relevant management of financial resources, shall be carried out only by the corporate departments that are specifically authorized for the purpose, in compliance with the Code of Ethics and with the internal protocols for crime prevention.

The Company's employees or collaborators who receive gifts or benefits in any form, as a consequence of their activities, shall inform their direct hierarchical superior. Should said gifts or benefits exceed a moderate value based on ordinary practices and customs in the specific field of operations, the superior shall assess the admissibility of said gifts or benefits.

4.4 Contributions to political parties, trade unions, bodies, associations

Any financial contribution to political parties shall be made by the Company in compliance with the Articles of Association and with the current legislation.

The Company shall avoid initiatives that could constitute, directly or indirectly, unlawful pressure on political or trade union representatives or on political parties or trade unions.

The Company may accept requests for contributions, limited to the requests from bodies and associations governed by Articles of Association which explicitly state their non-profit nature and which have high cultural or charity purposes.

Sponsoring activities, which may regard social issues, environment, sport, art and performing arts shall benefit only events or bodies offering quality standards and with which any possible conflict of interest, either personal or corporate, can be excluded.

BIF does not provide any contribution to organizations with which a conflict of interest may arise, but it is also possible to co-operate, including financially, with specific organizations for specific projects based on the following criteria:

- ◆ purpose of sponsorship of cultural / sports facilities / events;  attributable to the Company's mission.

Both situations are subject to the following rules:

- ◆ clear and documentable resource allocation;
- ◆ express authorization by the functions responsible for managing such relations.

4.5 Relations with employees

4.5.1 Recruitment and establishment of contractual relations

The assessment of staff to be recruited is performed based on the correspondence of candidates' profiles with corporate requirements, ensuring equal opportunities for all persons concerned. The information asked for shall strictly concern the professional and aptitude profile being looked for, in full respect of the candidate's private life and opinions.

Within the limits of available information, the Company shall adopt all appropriate measures to avoid any partiality, nepotism or clientelism forms in staff selection and recruitment.

The Company does not usually enter into employment or freelance work contracts with employees of the independent auditors performing the statutory audit of the Company's accounts:

- ◆ for twelve months after the expiry of the contract between the Company and the same independent auditors, or
- ◆ when the contract relation between the employee and the independent auditor ends.

Staff is hired based on a work contract as envisaged by the current legislation and by the national collective bargaining agreement. No irregular work position is allowed.

Before the work relation is established, each employee receives appropriate information relating to the legal, statutory and remuneration aspects of the same work relation, so as the acceptance of the work position ensures awareness of all its aspects.

4.5.2 Staff Management

The Company shall avoid any possible discrimination in its relations with its employees. Staff management processes are based on meritocratic principles and the relevant rewards shall be based on objective criteria.

The Companies commits to preserve the ethical profile of its employees and to ensure work conditions that respect personal dignity. For this reason, the Company prohibits any psychological abuse and contrasts all and any attitude or conduct that may be harassing or prejudicial to persons, their beliefs and preferences. Any investigation on employees' ideas, preferences and personal tastes and, in general, on their private life is forbidden.

4.6 Relations with suppliers, contractors and subcontractors

The Company requests its suppliers to comply with the ethical principles contained herein and, since said compliance is deemed essential to establish fair business relations, supply contracts shall provide for the obligation to be acquainted with this Code's contents and to consistently comply with its principles.

In selecting its suppliers, the Company pursues maximum competitive advantage, adopting a nondiscriminatory conduct. The Company considers suppliers' good value, as well as suppliers' technical/economic capacity, assessing their overall reliability with reference to the specific services to be provided.

To ensure integrity and independence in its relations with suppliers, the Company adopts the highest degree of transparency and efficiency in its purchasing process, through:

- ◆ cooperation of the unit requesting the supply with the unit finalizing the relevant contract;
- ◆ adoption of formalities suitable to substantiate choices made ("traceability of the purchasing process phases");
- ◆ keeping record of information and documents relating to the selection of suppliers, as well as contractual documents, as long as requested by current regulations and set forth in the internal purchasing procedures.

The Company, moreover, supervises these processes so that the relevant divisions and employees:

- ◆ do not induce Suppliers to enter into an unfavorable contract in view of subsequent advantages;
- ◆ start activities which envisage payments only after the finalization of the relevant contracts; ☒ do not receive gifts or other benefits that cannot be deemed ordinary courtesy.

Relations with Suppliers (within the amount limitations set by the internal procedures) shall be always regulated by specific contracts aimed at achieving the highest degree of clarity with regard to the provisions regulating said relations.

4.7 Institutional relations and mass media

In its institutional relations, the Company undertakes to:

- ◆ establish, without any discrimination, permanent communication channels with all institutional stakeholders in a certain territory;
- ◆ represent the Company's interests and positions in a transparent, rigorous as well as consequent manner, avoiding collusive conducts.

All external communications and communications with mass media shall be exclusively managed by the Company's top management, with the support of the departments in charge of communications and external relations, in order to uniform the Company's positions.

Statements that are detrimental to the image and interests of the Company are prohibited; should the staff be contacted by any media, the person involved shall refer the request to the relevant department.

Participation of single employees and collaborators in conferences, seminars and working groups, as well as publication of scientific, technical or cultural works relating to their work activities shall be previously authorized by the relevant departments.

5 Implementation and control procedures

5.1 Adoption of the Code of Ethics

This Code of Ethics shall apply to the conduct of all persons concerned subsequent to its adoption by the Supervisory Board of Directors. To this end, the Code of Ethics shall be made available to all the Company's employees and collaborators and shall be made accessible on the internet to all parties involved.

By adopting the Code of Ethics, the Company has implemented:

- ◆ the rules of conduct to be used in internal and external relations, demanding compliance with the same by all collaborators, advisors and, to the relevant extent, by external stakeholders;
- ◆ the principles for the Company's organization and management, aimed at having an efficient and effective system for the planning, execution and control of activities, such as to ensure constant compliance with the rules of conduct and to prevent breaching thereof.

The Code of Ethics may be adopted by all affiliate companies of BIF which deem it applicable to the respective operations.

5.2 Update

Upon resolution of the Supervisory Board of Directors, amendments and additions may be made to this Code, also based on suggestions and recommendations issued by supervisory bodies.

Any update and/or substantial amendment to the Code of Ethics shall be subsequently communicated to all subjects and bodies involved, using the same procedures used for its release.

5.3 Power of attorney

Due to its structured activity and complex organization, the Company implements a system of powers of attorney, explicitly establishing that powers shall be assigned to persons having the required skills and competence.

With regard to the extension of said powers, the Company has adopted and implements a model for organization, management and control envisaging measures that are appropriate to ensure that operations are carried out complying with the law and with the rules of conduct set forth herein, and to promptly detect and remove situations of risk.

5.4 Internal control system

The responsibility of implementing an effective internal control system lies with the Company's entire organization and in particular with the top management.

Internal control means all activities and instruments that are necessary or useful to steer, manage and audit operations, in order to ensure:

- 1) control of the economic soundness (effectiveness and efficiency) of operations, in compliance with corporate strategies, targets and policies, aimed at protecting the Company's equity;
- 2) suitability of the IT system, with regard to both the preparation of the Financial Report to be published and the preparation of the internal management reporting;
- 3) compliance with the law and regulations that apply to the Company activities;
- 4) reliability and accuracy of accounting;
- 5) prevention of crimes through the model for organization, management and control.

Internal control on processes shall be ensured by the different organizational departments and by the relevant managers.

All employees and collaborators, in performing the relevant tasks and operations, shall be responsible for the definition and proper operation of the control system.

Each operation shall be substantiated by appropriate documentation to be kept on file, so as to allow, at any time, control on the grounds and characteristics of the single operation as well as the punctual identification of the persons that, in the different phases, have authorized, performed, recorded and audited the operation.

Directors, employees and collaborators, within the scope of the relevant tasks and functions, shall be required to strictly comply with the procedures, and shall be available to fully cooperate and inform the Human Resources Division and to the Internal Supervisory Body, which may carry out the audits deemed necessary to ascertain compliance with the Code of Ethics.

6 Penalty envisaged for breaches of the Code of Ethics

6.1 Detection of breaches of the Code of Ethics

Each manager in charge of an office or organizational unit/department is required to detect any breaches committed by the staff working in the offices and organizational units/departments hierarchically and/or functionally reporting to him.

Events and conducts that can constitute breaches of the Code of Ethics shall be reported to the Company Human Resources Division, which shall take any necessary measure, and shall initiate, specific internal inquiries, as the case may be.

The Internal Supervisory Body shall be informed of said breaches.

6.2 Internal inquiries

Any inquiry related to a breach of the Code of Ethics aims at ensuring the objectivity of the analysis as well as at granting the right of the involved persons to express their counter-statements, in compliance with the applicable national collective bargaining agreements, or of the different laws that apply, as the case may be, to the decentralized units of the organization.

Any inquiry shall be carried out so as to avoid any retaliation, discrimination or penalization to the persons that have reported the alleged breach, ensuring also that these remain anonymous and the facts reported remain confidential, without prejudice to any obligation pursuant to the law as well as to the protection of the Company's rights.

If the internal inquiry detects a breach or a suspected breach of the Code of Ethics, or of the model for organization, management and control, the Office informed on the facts shall promptly inform thereof the Internal Supervisory Body.

In such cases, the information to be delivered to the Internal Supervisory Body includes:

- ◆ measures and information issued by or coming from Police or similar authority, from which results that investigations for crimes pursuant to Nigerian legislature are ongoing, also when such investigations have been initiated against unknown persons;
- ◆ requests for legal aid made by senior managers and/or employees in case that any judiciary proceeding is being brought against them for said crimes;
- ◆ reports prepared by the persons in charge of control activities, showing facts, actions, events or omissions which entail critical profiles with regard to the provisions of Nigerian Legislative Decrees
- ◆ anomalies or atypical situations detected with regard to the rules of conduct encompassed in the Code of Ethics as well as in the internal procedures and regulations relating to said crimes.

To carry out the inquiry subsequent to the reports, the Internal Supervisory Body exploits the same persons who carried out the reporting activity.

6.3 Sanctions applications

Compliance with the provisions of the Code of Ethics is deemed to be an essential part of the obligations of the Company's employees as well as of the Company's external collaborators and of all subjects acting in the Company's name and on its behalf.

Non-compliance with said rules constitutes breach of the obligations arising from the work relation, leading to legal consequences, also with regard to maintaining the work relation itself.

If the Code of Ethics is breached, the Company shall adopt penalties⁵ based on consistency, impartiality, uniformity and proportionality criteria, as well complying with the provisions governing work relations. In such cases, the Company reserves the right to exercise all necessary and suitable measures in order to obtain compensation of the damage suffered as a consequence of the conduct.

BIF has set up a "Committee" with the task of assessing violations and suggesting to employers any disciplinary sanctions to be given.

With regard to breaches of the model for organization, management and control adopted, the criteria for penalties shall be defined by the Supervisory Board of Directors so as to ensure objectivity and proportionality with regard.

In the event of breach of any part of the Code of Ethics, at any level, a disciplinary committee formed by the legal department shall investigate and abuses shall be finally decided by management and when necessary by the Supervisory Board or even the shareholders.

6.4 Notifications of illegal behaviors – “Whistleblowing”

After the prescription for the Law for the protection of the perpetrators of illicit behavior notifications, defined as “Whistleblower”, behaviors discovered in the field of a work relationship the Company has ruled a signaling system, namely a disciplinary system which will have the aim of sanctioning the likely violation of the measure protecting the “Whistleblower”, namely the sanctions towards who makes (with fraud or severe guilt) notifications which are unfounded.

6.5 Litigation

No aspect of this code of ethics shall be subjected to any form of litigation or court cases by any addressee or collaborator who has willingly subjected himself to the rules and agreed to abide by the regulations guiding behaviours and obligation to the group and its subsidiaries.

For disagreement with any part or all of the decisions, or the sanctions for a breach, the addressee, or collaborator will resort to appeal within the BIF.

Where a collaborator or addressee takes the group or any of its subsidiaries to court without exploring all avenues for resolution, such addressee or collaborator automatically forfeits his rights within BIF and will summarily be disengaged from the group's employment or services.

6.6 Relationships among the companies of the Group

Relationships among the different companies of the Group shall be based on the utmost transparency and compliance with applicable laws in different countries and/or systems.

Group's companies, through their own institutional bodies and in compliance with their respective regulations, will have to proceed with any appropriate action to fully implement the principles set out in this Code of Ethics.