



## CODE OF ETHICS AND CONDUCT

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## 1. PURPOSE AND SCOPE

The current MEDGAZ S.A. (known as Medgaz) Code of Ethics and Conduct aims to establish the guidelines that will govern the ethical behaviour of all its users, managers, employees and those persons (hereinafter known as Affected Persons) whose activity is expressly subject to the Medgaz Code of Ethics and Conduct due to their working relationship with all relevant parties (employees, customers, suppliers, external collaborators, shareholders, public and private institutions and the society in general).

This Code of Ethics and Conduct is based on the definition of the Mission and Vision of Medgaz, which are as follows:

- *Mission:* Design, construct and operate a system of deep sea gas pipelines that connect Algeria and Europe, via Spain, being the most direct and economic of all natural gas supplies in southern Europe.
- *Vision:* To benefit the consumer by supplying clean energy such is natural gas, according to the objectives in the Kyoto Protocol.

The Medgaz Code of Ethics and Conduct reflects the principles of due diligence applied by the company for the prevention, detection and eradication of irregularities related to breaches of established internal rules, including those referring to criminal offenses. The company understands that diligence in these matters requires, among others, to develop and implement control methods that regularly analyze risks in the matters contemplated in this Code, and to ensure the awareness of the rules in the organization, define responsibilities and establish procedures that allow the confidential notification of irregularities as well as their resolution. The company recognizes that the procedures that are implemented enable it to respond to the previously mentioned elements, including the Model of Prevention and Crime Detection in accordance with the current regulations in criminal matters.

Persons linked to the company who violate The Medgaz Code of Ethics and Conduct will be subject to disciplinary action, depending on the type of offense, which could, in the case of employees, lead to dismissal.

## 2. PRINCIPLES OF ACTION

Medgaz expects that all Affected Persons by this Code will at all times comply with the following values and principles of ethical conduct:

- **INTEGRITY:** Understood as the ethical, loyal and honest behaviour of the Affected Persons, who act in good faith.
- **HONESTY:** Rejection of corruption in all its forms, public and private, in both active and passive forms.
- **RESPECT:** Tolerance and defense of human diversity (including cultural, gender, race, religion, sexual orientation, etc.).

- **TRANSPARENCY:** Provide the Shareholders with clear, truthful and complete information on Medgaz's activities, policies and management in a timely manner and format to foster relationships based on trust and good faith.
- **REGULATORY COMPLIANCE:** Compliance with both the general provisions in force, as well as the Medgaz internal regulations.
- **SECURITY:** Security as a priority, with the commitment to protect all the professionals with whom we have relations, Medgaz employees and outside contractors, suppliers, distributors and clients to ensure the integrity of our facilities and processes. Advance towards excellence, making prevention our best defense to eliminate risks and extend our attention beyond the workplace.
- **SUSTAINABILITY:** Promote the continuity of the Company's activity over time, reinforcing our commitment to environmental protection and the well-being of the society, especially in Almeria and Algeria, where we operate, and maintain relationships with various parties (employees, customers, suppliers, shareholders, Public Administration, associations, trade unions etc.), based on ethics and transparency.
- **CONTINUOUS IMPROVEMENT:** Encourage development, talent and knowledge. Be excellent, efficient and reliable in all operations, complying with the regulations and establishing effective measures to prevent any possible irregular behaviour.
- **SOLIDARITY:** Work as a team, always looking out for the all-around interest of Medgaz, through the cooperation between departments and in collaboration with customers and suppliers, maintaining a positive attitude towards others.

### 3. STANDARDS OF CONDUCT

The norms established in the following paragraphs of Section 3 are not exhaustive but constitute a mere reference of basic behaviour.

The persons to whom they apply should behave according to these ethical rules at all times and when in doubt, should contact the Ethics Committee, formed for this purpose through the established internal channels, in order to set up the guidelines to be followed.

The Ethics Committee, whose members are appointed by the Medgaz Board of Directors has as its responsibilities both the promotion, monitoring and control of compliance with the values, principles and norms of conduct established in the Code of Ethics and Conduct, as well as seeking for solutions to the ethical dilemmas that may arise, resolving the complaints received and supporting the implementation of the necessary corrective measures in each case.

The Ethics Committee will carry out continuous supervision in the development and implementation of the best practices for the control, investigation and training of Persons Affected by this Code to prevent irregular behaviour on the part of those who could cause Medgaz to be held responsible resulting in damage to their reputation.

### 3.1 Commitment to Human Rights

Medgaz's actions and practices are carried out in compliance with the principles set out in the Universal Declaration of Human Rights, the Declaration of the Fundamental Principles of the Law of Employment of the International Labour Organization (ILO) and the OECD Guidelines for Multinational companies. Similarly, its behaviour is consistent with the Ten Principles of the United Nations Global Pact on human rights, employment rights, environmental protection and the fight against corruption.

In particular, Medgaz manifests its respect for those individuals in all areas where it carries out its activities and expresses its firm rejection to child labour and to any other form of work exploitation.

The Persons Affected by this Code must ensure respect in exercising the aforementioned rights at all times while carrying out their activities.

### 3.2 Equal Opportunites and Anti-Discrimination

Medgaz encourages non-discrimination on the basis of race, nationality, age, sex, marital status, sexual orientation, ideology, religion or any other personal, physical or social condition as well as equal opportunities.

The Persons Affected by this Code will abstain from performing any act or conduct that involves any type of discrimination. Any case of discrimination must be immediately reported to the Ethics Committee.

Equal treatment between men and women will be encouraged as regards to access to employment, training, remuneration and in professional classification and promotion. Persons affected by this Code must be treated with respect at all times.

Medgaz rejects any manifestation of violence, physical or sexual harassment, psychological or moral misconduct and abuse of authority at work and any other conduct that creates an intimidating or offensive environment.

Any of the Persons Affected by this Code who witness or is aggrieved by any of the above mentioned behaviour must immediately report the incident to the Ethics Committee through any of the established internal channels, in order for the necessary measures to be taken.

### 3.3 Safety and Environmental Protection

The Persons Affected by this Code must ensure their own safety and observe with special attention the internal and external standards for occupational health and safety with the aim of preventing and minimizing hazards and accidents at work.

The Persons Affected by this Code will comply with the environmental protection rules, policies and procedures established by the current legislation and Medgaz's internal regulations.

Medgaz promotes the prevention of risks in terms of safety and protection of the environment as well as the training of all Persons Affected by this Code in such matters.

### **3.4 Training**

Medgaz will support staff training. Training programs will promote equal opportunities and career development and will contribute to achieving the Medgaz objectives.

The Persons Affected by this Code will participate actively in the training programs made available to them by Medgaz and will keep the necessary knowledge and skills up to date in order to achieve the highest performance in the fulfillment of their obligations.

### **3.5 Corporate Image and Reputation**

All Medgaz employees must take the utmost care in maintaining the image and reputation of Medgaz in all their professional activities. They will also monitor the respect paid to the corporate image and reputation and its correct and appropriate use by the employees of subcontractors, suppliers and collaborating companies.

### **3.6 Use and Protection of Social Assets**

Medgaz will provide the Persons Affected by this Code sufficient resources to conduct their professional activity. The Persons Affected by this Code commit themselves to the correct use of said resources and the necessary diligence in their custody.

The Persons Affected by this Code will not use the resources made available by Medgaz for personal or extra-professional use or to carry out activities that are not related to the interests of the company.

In this respect, the Persons Affected by this Code:

- May not use the trademark, logo or any other Medgaz industrial or intellectual patent.
- Must use Medgaz systems, such as telephone, internet access, e-mail or any other application to carry out their job functions, in accordance with the established Medgaz security procedures.
- May not disclose, store, reveal, download or distribute material that is threatening, false, defamatory, obscene, or could in any way constitute a criminal offense or adversely affect Medgaz's reputation and image.

### 3.7 Conflict of Interests

Persons affected by this Code will comply, in the event of a possible conflict of interests, with the following requirements:

- **Independence:** The Persons Affected by this Code should avoid situations that could lead to a real or potential conflict between their personal interests (whether economic or not) and those of Medgaz.
- **Abstention:** Persons affected by this Code shall refrain from intervening or influencing decision-making in matters where there may be a conflict of interests.
- **Communication:** The Persons Affected by this Code must immediately communicate the existence of possible conflicts of interests to the Ethics Committee.

In particular, any Person affected by this Code who has a financial or patrimonial relationship, either directly or indirectly through a related person, with shareholders or partners in any type of business, suppliers, competitors or Medgaz customers with whom they have a professional relationship, should inform the Ethics Committee immediately and in writing.

### 3.8 Professional Activities outside of MEDGAZ

Persons Affected by this Code will not be able to carry out work or professional services (on a self employed or subcontracted basis), for companies or entities other than Medgaz, when this involves unfair competition with Medgaz. They will also dedicate their professional skills and the necessary personal effort for the accomplishment of their duties.

### 3.9 Relationships with Governments or Authorities

Persons Affected by this Code shall strictly comply with the laws of the countries in which they have a presence and shall avoid any conduct that, even without violating the law, may damage Medgaz's reputation with the Government, Authorities, Official Organizations or Communities of the country in question.

### 3.10 Gifts and Hospitality

The Persons Affected by this Code may not accept or offer gifts or hospitality for unreasonable amounts or in certain circumstances exceeds the acceptable local customs and normal practices. This prohibition applies especially in the case where the recipient is a person who, due to the position he or she holds, may directly or indirectly influence decisions related to Medgaz, including corporate transactions, purchases and sale of goods, equipment or services, and/or the issuing of reports, concessions or authorizations.



Persons affected by this Code who are the beneficiary of gifts, benefits, hospitality, and donations that exceed the reasonable limits should make the facts known to the Ethics Committee.

Notwithstanding what is contained in the previous paragraph, (including the possible obligation to return the gift or hand it in to Medgaz). The recipient who accepts such gifts will abstain from any decision making or selection process in which he/she is directly or indirectly involved.

### **3.11 Clarity of Information**

Clarity of information is a basic principle that should govern the actions of Medgaz and the Persons Affected by this Code. All information communicated to third parties must be transparent according to the circumstances in question.

The Medgaz financial information will truly reflect the results of its operations as well as its financial and patrimonial situation, in accordance with the standard accepted accounting principles and the current international financial reporting guidelines.

The Affected Persons will comply with all Internal Control procedures established by Medgaz to ensure an true reflection of the published information.

This principle of transparency will also apply to Medgaz's internal communications policy.

### **3.12 Protection of Personal Data**

Medgaz will comply with current legislation on the protection of personal information and especially protect data provided by employees, customers and suppliers.

Persons affected by this Code who have access to this data as a result of the execution of their professional activity, are committed to make appropriate use of this information, ensuring confidentiality and respecting the legitimate rights of the holders.

### **3.13 Reserved and Confidential Information**

Information held by or in Medgaz custody will have a confidential status, and be considered as reserved and/or confidential information for internal use only, with the exception of public information. All Persons Affected by this Code are obliged to keep the strictest confidentiality regarding said information and are not to disclose or circulate it internally or externally.

Disclosing and using information for private purposes contravenes this Code and constitutes a breach of loyalty to Medgaz, who reserves the right to take the appropriate measures as it deems necessary.

In the event of termination of employment or the professional relationship, the information will be returned to Medgaz, including the documents, storage media and devices, as well as the information stored in the computer terminal. Furthermore, the confidentiality commitment will continue to be respected by all Persons Affected by this Code.

### **3.14 Relationships with Customers, Suppliers and Contractors**

Medgaz maintains its commitment to total quality, providing the necessary resources to achieve excellence and establishing the necessary measures to ensure that the quality policy is practiced by all Persons Affected by this Code.

The Persons Affected by this Code will establish lasting business relationships with customers based on the interest of all parties and an attitude to provide a permanent service, maintain a high commitment of honesty, professional responsibility and the job well done, obtaining relationships based on trust and mutual respect.

Medgaz will adapt the suppliers' selection processes using the criteria of objectivity and impartiality and will avoid any conflict of interests or favoritism in their selection.

The Persons Affected by this Code are committed to comply with the internal procedures established for adjudication processes, including those related to the approval of suppliers and contractors.

### **3.15 Fair Competition**

Medgaz undertakes to compete in the markets on a fair basis and will not engage in misleading or denigrating advertising of its competitors or third parties.

Medgaz is committed to respecting free competition for the benefit of customers and users, strictly complying with the regulations for free competition. The Persons Affected by this Code should avoid any conduct constituting or likely to constitute collusion, abuse or any form that restricts free competition.

### **3.16 Anti-Bribery and Corruption Measures**

Persons affected by this Code may not offer or make, directly or indirectly, any payment in cash, in kind or any other type of benefit, to any fiscal or legal individual, at the service of any entity, whether public or private, with the intention to:

- Obtain or unlawfully maintain any business or advantage for themselves or a third party.
- Abuse its influence, real or apparent, on the part of the individual, to illegally obtain business or any advantage from a public or private entity.

### 3.17 Prevention of Money Laundering and Financing Terrorism

Medgaz rejects any collaboration with persons and/or entities that may be used for the purpose of money laundering or financing terrorism.

The Persons Affected by this Code shall refrain from proposing, promoting or allowing Medgaz to intervene in any business or commercial relationships or any other operations when they know or have a reasonable suspicion that their purpose is to introduce funds from unknown sources into the economic system from criminal activities.

Medgaz will refrain from owning, using or transmitting property that has its origin in criminal activities.

Medgaz will not participate in activities aimed at collecting, distributing or providing funds to finance terrorist acts and/or organizations.

## 4. PLAN FOR THE ADOPTION OF ETHICAL DECISIONS

To act correctly, each of us must follow these steps and ask the following questions:

- Identify the act, decisión or problem
  - Are they asking me something that in my opinión could be incorrect?
  - Have I heard of any possible unlawful or unethical conduct carried out by a third party, whether from Medgaz or any customer?
  - I have to make a decisión and I am not sure how to act from an ethical point of view.
- Consider carefully before making a decision
  - Summarize and clarify the problem you face. Ask:
  - What is the reason for my dilemma?
  - What are the alternatives and consequences?
  - Who will be affected?
  - Who can I ask for advice?
- Decide how to act
  - Determine your responsibility.
  - Analyze all facts and relevant information.
  - Check which Medgaz policies or profesional standards should apply.
  - Evaluate the risks and study how to minimize them.
  - Consider what is the best possible action.
  - Consult the appropriate person.
- Reconsider your decisión before you act
  - Analyze the ethical issues you should consider
  - Apply Medgaz principles to your decision
  - Check that you have considered the Medgaz policies, legislation and profesional standards.
  - Ask competent individuales for their opinión about your decisión.

- Act with confidence
  - Communicate the decision and your reasoning to the interested parties.
  - Reflect on what you have learned and share it with others.

### **10 questions to act ethically**

In the event of any new situation or action or if you have any doubts, ask yourself the following:

1. Is it against professional or Medgaz standards?
2. Is it correct?
3. Is it legal?
4. Will it have a negative effect on me or Medgaz?
5. Who else will be affected by this? (i.e. other Medgaz staff, customers etc)
6. Will I be embarrassed if others find out how I decided to act?
7. Is there an alternative solution that does not pose an ethical conflict?
8. What would happen if this was reported through the media?
9. What would a reasonable person think?
10. Will I be able to sleep with a clear conscience?

## **5. DISCLOSURE AND COMPLIANCE WITH THE CODE**

This Code will be communicated and distributed among the Persons Affected by this Code, through the usual channels. The general responsibility for this Code lies with the Ethics Committee which, subject to prior authorization by the Board, may periodically modify or update it as they see necessary.

Failure to comply with the criteria and guidelines contained in the Code may result in the appropriate disciplinary actions being taken in accordance with the corresponding labour legislation, without prejudice to any other responsibility that may be caused.

Failure to comply with the provisions of this Code, notwithstanding the consideration of the case to be a work infraction, may result in the disciplinary action or require responsibilities to be taken of any kind.

As regards to its external diffusion, this Code will be incorporated into the Medgaz website.

## **6. COMMITTEE OF ETHICS: SUPERVISION, COMPLIANCE AND MANAGEMENT OF IRREGULARITY COMPLAINTS (WHISTLEBLOWING CHANNEL)**

As mentioned in Section III above, Medgaz has set up a Committee of Ethics whose functions include the following:

- a) Make the Code of Ethics and Conduct known throughout the organization.
- b) Give advice on the interpretation and application of this Code of Ethics and Conduct.
- c) Propose actions and control mechanisms that encourage, supervise and, where appropriate, assist in their compliance.
- d) Ensure that all Medgaz employees and third parties report any breaches of this Code of Ethics and Conduct, in a confidential manner.
- e) Resolve or affirm the decision of any infraction deemed necessary, under the principle of assumption of innocence, and communicate any detected violations of this Code of Ethics and Conduct to General Management, in order for them to take the appropriate measures required.
- f) Ensure that no retaliation takes place on those employees or third parties who communicate, in good faith, alleged breaches of this Code of Ethics and Conduct.
- g) Make recommendations, if considered appropriate, to the Medgaz governing bodies, in matters related to the compliance, development and protection of this Code of Ethics.
- h) Propose the modifications and developments of this Code of Ethics and Conducts that it considers appropriate.
- i) Respond to the requests for information that are received from outside the company, with respect to the implementation of this Code of Ethics and Conduct.
- j) Keep a statistical record of the actions carried out.

Those persons who are directly or indirectly linked to MEDGAZ may forward any doubts or queries concerning the interpretation of the standards of conduct that appear in this Code, and must inform in good faith and without fear of reprisals, any breach of the guidelines of this Code that they observe whilst carrying out their professional duties to the Committee of Ethics via electronic mail: [ethics@medgaz.com](mailto:ethics@medgaz.com).


The communications made to the Committee of Ethics will be treated in a confidential manner and in accordance with the Organic Law on Data Protection.

## 7. APPROVAL AND VALIDITY

The contents of this Code will be updated and revised periodically in order to meet the needs of Medgaz and the inevitable process of changes in society and in particular in Medgaz.


The first edition of the MEDGAZ Code of Ethics and Conduct has been approved by the Board of Directors of Medgaz, S.A., at a meeting held on 31 May 2016 and will come into force the day after its approval.

## ANNEX 1. ACKNOWLEDGEMENT OF RECEIPT

	<b>ACKNOWLEDGEMENT OF RECEIPT</b>	PX-GM-PRC-900110 / 01 PX-GM-NOT-YYMMDD Date: DD/MM/AAAA
<p>TO: Human Resources Manager</p> <p>FROM: _____ (Name and Surname in capital letters)</p> <p>By means of this acknowledgment, I declare that I have read and understood the Code of Ethics and Conduct and accept its contents and agree to abide by and respect its terms and conditions.</p> <p>Signed: _____</p> <p>Date: _____</p> <p><i>(Please fill out this acknowledgment and return it to the Director of Human Resources Manager within a maximum period of 7 days from delivery).</i></p> <p>THE COMPANY</p>		



## ANNEX 2. CONFIDENTIALITY COMMITMENT

	<b>CONFIDENTIALITY COMMITMENT</b>	PX-QH-PRC-900110 / 02 PX-QH-CRT-YYMMDD Date: DD/MM/AAAA
<p>The undersigned declares that he will keep all the information to which he has access to in strict confidence, as well as the information handled by other employees.</p> <p>This information also refers to all negotiations, transactions and other matters of a confidential nature concerning the working relationship between Medgaz and its customers, suppliers, as well as all those matters with a reserved status, as indicated by Management, except when the Board of Directors deems necessary or has authorized disclosure of such details, or by the person who is directly affected and excluding what is covered by Law or when it is necessary to comply with what is established or what is stipulated in the Code of Ethics and Conduct.</p> <p>The commitment to secrecy must diligently safeguard all confidential information beyond the reach of any other person other than those concerned who have the right to use said information.</p> <p>The Medgaz Code of Ethics and Conduct and the internal procedures manuals and policies establish more closely the regulation of ethical rules of business conduct between the company and the worker. Likewise, the employee will strictly comply with other specified commitments that may be underlined in each of the Departments or Business Areas or that result from agreements with clients or other persons or entities other than the company.</p> <p>Once the relationship with Medgaz is terminated, the undersigned agrees not to remove any documents, electronic media or any other type of material considered as confidential and not to disclose any confidential information to which he has had access.</p> <p>Signed: _____</p> <p>Date: _____</p> <p><i>(Please complete this document and hand it to the Human Resources Manager within a maximum period of 7 days from the date of receipt)</i></p>		