

CODE OF BUSINESS CONDUCT FOR

(1) ERVIA BOARD MEMBERS

(2) ERVIA SENIOR MANAGEMENT

(3) DIRECTORS OF ERVIA SUBSIDIARY AND JOINT VENTURE COMPANIES

1.0 INTRODUCTION, PURPOSE AND SCOPE

- 1.1 Ervia is responsible for the delivery of gas and water infrastructure and services in Ireland. It is an important national organisation occupying a high profile position in Ireland.
- 1.2 Ervia's reputation and the trust and confidence of those with whom we deal is one of our most vital corporate resources and the protection of this resource is of fundamental importance to Ervia and a key ingredient for success.
- 1.3 Given Ervia's public profile and the visibility of everything that it does, it follows that those filling positions of responsibility in the organisation, in particular Board Members and Senior Management must be seen to be beyond reproach in their conduct.
- 1.4 Ervia will comply with the Code of Practice for the Governance of State Bodies issued by the Department of Finance (the "Code of Practice"). While the highest ethical standards are required of all Ervia personnel and the Code of Practice applies to all as appropriate, it is considered prudent, in view of their special position, to provide more specific guidance in the case of Board Members and Senior Management (for the purposes of this Code of Business Conduct, Senior Management shall mean Ervia employees of Grade C and above).
- 1.5 This Code of Business Conduct (the "Code") applies equally to all Board Members of Ervia's subsidiary and joint venture companies. The expression "Ervia" shall be deemed to include all subsidiary and joint venture companies and the expressions "Board" and "Board Members" shall be deemed to include the boards and directors of all subsidiary and joint venture companies, including Irish Water and Gas Networks Ireland.
- 1.6 It is impractical to legislate in sufficient detail to cover every eventuality which could arise which would present Board Members or Senior Management with a conflict of interest. Accordingly, Board Members and Senior Management should be aware that the spirit as well as the precise wording of the Code should be observed.
- 1.7 Non-compliance with this Code may be treated as a disciplinary matter.

2.0 OBJECTIVES

2.1 The objectives of this Code are as follows:-

- The establishment of an agreed set of ethical principles;
- The promotion and maintenance of confidence and trust in Ervia and its subsidiary companies including the protection of Ervia's good name; and
- The prevention of development or acceptance of unethical practices.

3.0 INTEGRITY AND ETHICAL STANDARDS

3.1 The conduct of Board members is governed by the following:

- Section 13 of the Gas Acts 1976 (as amended) which requires Board Members to disclose any interest in any arrangement to which the Company is party and to abstain from voting on the matter;
- Sections 9 and 10 of the Water Services Act 2013 which require Board Members and staff of Irish Water to disclose any interest in any arrangement to which the Company is party and to abstain from voting on the matter;
- Sections 10 and section 11 of the Gas Regulation Act 2013 which require Board Members and staff of GNI to disclose any interest in any arrangement to which the Company is party and to abstain from voting on the matter;
- Section 12 of the Gas Regulation Act 2013 which prohibits Board Members and staff of GNI disclosing confidential information obtained while performing functions as a Board Member or a member of staff;
- The Ethics in Public Office Acts 1995 and 2001; and
- The Code of Practice for the Governance of State Bodies.

3.2 Detailed briefing on all of these obligations is provided to all Board Members and Senior Management on appointment. In addition, the above legislation is readily available on Board Pad for Board Members and from Secretariat upon request.

3.3 Supplementary to the legislative position the Board should note the key elements of the Code of Practice, in particular:

3.3.1 A Board Member should absent himself/herself when the Board is deliberating or deciding on matters in which he/she (other than in his/her capacity as a Member of the Board) or a person or body connected with him/her has an interest. In such cases a separate record (to which the Board Member would not have access) should be maintained.

3.3.2 On appointment and on an annual basis thereafter, each Board Member should register with the Company Secretary, in accordance with the register set out in Appendix 1, details in relation to the disclosure of employment and business interests as required by the Code of Practice.

3.3.3 Senior Management should complete an annual register of interests similar to the register completed by each Board Member, as set out in Appendix 1.

3.3.4 Board Members and Senior Management are required to make disclosures in accordance with the Ethics in Public Office Acts 1995 and 2001 and the regulations made thereunder to the extent that the provisions of these Acts apply to them. Where a Board Member or a Senior Manager is in doubt as to whether he or she has an obligation under the legislation, he or she should seek advice from the Standards in Public Office Commission under section 25 of the Ethics in Public Office Act 1995. While the Code and the Ethics legislation provide separate disclosure obligations for

Board Members, section 5.8 (i) of the Code of Practice provides that where a Board Member is also a designated director for the purpose of the Ethics Acts, the annual statement of interests furnished under the Ethics legislation will suffice for the purposes of the annual disclosure of interests under the Code of Practice. Group Secretariat will contact all relevant parties in relation to this requirement.

3.4 **Related Party Transactions** — best corporate practice as outlined in the Companies Act 2014 and International Accounting Standard 24 requires certain information to be made available in relation to third party transactions. This information is required at two levels:

1. Notification of related party transactions to the Company Secretary in a register of interests in the form set out in Appendix 1; and
2. Disclosure of material related party transactions in the financial statements.

3.4.1 The definition of Related Parties can be found in International Accounting Standard 24, which is readily available on Board Pad for Board Members and from Secretariat upon request.

3.4.2 For the avoidance of doubt, the following are related parties:

- Parent company subsidiaries and fellow subsidiaries;
- Associates and joint ventures;
- Directors/Board Members;
- Pension funds;
- Close family;
- Key management; and
- Persons acting in concert – partners.

3.4.3 Ervia's external auditor will review all systems to identify any possible related party transactions based on the register of interests maintained by the Company Secretary. The Chairman of the Ervia Board/external auditor will agree on any disclosure necessary.

3.5 Board Members and Senior Management should be extremely sensitive to their positions in dealing with third parties so as not to suggest or imply that they are prepared to intervene with Ervia on their behalf in any unusual or abnormal fashion.

3.6 Each Board Member and Senior Management shall ensure that:-

3.6.1 Ervia competes vigorously and energetically but also ethically, honestly and lawfully in Ireland and in overseas markets;

3.6.2 Ervia's purchasing activities of goods/services are carried out in accordance with best business practice;

- 3.6.3 Ervia promotes a culture of claiming vouched expenses, only as appropriate to business needs and in accordance with good practice in the public sector generally;
- 3.6.4 Ervia's accounts/reports accurately reflect its business performance and are not misleading or designed to be misleading;
- 3.6.5 Ervia's resources are not used for personal gain or for the benefits of persons/organisations unconnected with Ervia or its activities or for the benefit of competitors; and
- 3.6.6 Information or business secrets are not obtained by improper means.
- 3.7 Equal care should be taken in dealings with public officials abroad as in Ireland, to ensure that every interaction, at every level of Ervia (and within its subsidiaries) is ethical, honest and lawful. Board Members and Senior Management should be familiar with the policies and procedures Ervia has in place to prevent bribery and corruption.
- 3.8 Board Members should bring to the notice of the Board and Senior Management should bring to the notice of the Group Chief Executive Officer at the tender stage any connection which he or she has with any tender to or by Ervia for the provision of products or services. Board Members and Senior Management should seek to avoid any personal involvement in presentations, submissions or representations relevant to such tender — where exceptionally such involvement is thought to be essential Board Members should consult the Chairman in advance. Senior Management should advise the Group Chief Executive Officer in similar situations.
- 3.9 If a Board Member or a Senior Manager finds evidence of non-compliance with any statutory obligations that apply to Ervia or its subsidiary companies, he/she should immediately bring this to the attention of the Group Chief Executive Officer or fellow Board Members, as appropriate, with a view to having the matter rectified. The matter should also be brought to the attention of the relevant Minister by the Chairperson of the Board indicating the consequences of such non-compliance and the steps that have been or will be taken to rectify the position.
- 3.10 High ethical standards are a matter of trust. The responsibility of Board Members and Senior Management is to honour that trust in the spirit as well as in the letter and to be governed in all company transactions by the fundamental principles of integrity, confidentiality, legality and loyalty. Good example will ensure that proper ethical values are perpetuated and accepted at all levels in the organisation.

4.0 RAISING CONCERNS

- 4.1 In urgent or sensitive situations where confidential advice is required by Senior Management or where concerns arise which cannot be appropriately addressed through normal channels these should be directed to the line manager, where appropriate. However, if a Senior Manager feels that this is not appropriate, concerns can be raised directly to the Group Chief Legal Officer. If neither of these options is appropriate or if an employee does not wish to raise a concern directly to any particular person, then an employee can email (anonymously or otherwise) a confidential email address or leave a message on a confidential voicemail; both options will be directed to the Group Chief Legal Officer and the Group Head of Internal Audit (as Anti-Fraud Champion). Details of these confidential communication options are outlined

below. In circumstances regarding possible financial improprieties, concerns can alternatively be directed to the Chairman of the Audit and Risk Committee at the email address provided below.

The following are the contact details for raising concerns under this Policy:-

Group Chief Legal Officer

Rory Williams

Telephone: 01 - 8925407

Email: rory.williams@ervia.ie

Confidential email address (directed to the Group Chief Legal Officer and the Group Head of Internal Audit)

Confidential@ervia.ie

Confidential voicemail (directed to the Group Chief Legal Officer and the Group Head of Internal Audit)

01-8230333 (external)

30333 (internal)

Chairman of the Audit and Risk Committee

Email: auditandriskchairman@ervia.ie

- 4.3 Ervia encourages Senior Management to raise any concerns internally and is committed to addressing these concerns while protecting the employee(s) making the disclosure. In line with that commitment, an employee who has concerns about any aspect of Ervia's activities is encouraged and expected to come forward and voice those concerns and may do so without fear of victimisation, subsequent discrimination or disadvantage as a result of the disclosure.
- 4.4 Other, external, reporting channels may also be available as prescribed in sections 7 – 10 of the Protected Disclosures Act 2014 and the May 2012 "External Whistleblowing Policy" of the Northern Ireland Authority for Utility Regulation ("NIAUR"), based on the Public Interest Disclosure (NI) Order 1998. The NIAUR policy applies in respect of a business that is subject to regulation by NIAUR (presently GNI (UK) Limited) and relates to qualifying disclosures (including a criminal offence, a breach of a licence or other legal obligation, damage to the environment and an anti-competitive practice) which a person reasonably believes has or will occur or is occurring.
- 4.5 Under the Criminal Justice Act 2011, a person (including Ervia, a Board Member and a director or member of staff of Ervia) who has information that he or she knows or believes might be of material assistance in preventing the commission of or in solving or prosecuting certain crimes (such as theft and fraud) must disclose that information as soon as it is practicable to do so to the Garda Síochána. A person need not comply with the obligation if he or she has a reasonable excuse for not doing so. Any concern in respect of this provision should be discussed with the Group Chief Legal Officer.

5.0 GIFTS, HOSPITALITY AND SPONSORSHIP

- 5.1 As a general principle, subject to the exceptions set out below, Board Members and Senior Management should avoid the giving or receiving of corporate gifts, hospitality, preferential

treatment or benefits which might affect, or appear to affect, the ability of the donor or the recipient to make an independent judgement on business transactions. If gifts, hospitality, or preferential treatment or benefits, are offered or received, Board Members and Senior Management should bear in mind the fundamental principle of integrity and in accepting such gifts and hospitality, from parties with which Ervia does business, or from parties seeking or likely to seek business from Ervia, particular care should be taken not to compromise the high standards expected by Ervia in such matters.

5.2 Particular attention is drawn to persons who hold designated directorships in Ervia (Board Members and Directors of Subsidiary Companies), or persons who occupy designated positions of employment in Ervia (as defined under the Ethics in Public Office Acts 1995 and 2001) to the requirements regarding the disclosure of gifts and hospitality under the Ethics in Public Office Acts.

5.3 GIFTS AND OTHER BENEFITS

5.3.1 Board Members and Senior Management should be aware that by virtue of the Prevention of Corruption Acts 1889-2010, it is an offence for any Board Member or member of Senior Management to solicit or accept a gift, consideration or “advantage” from any person for himself, herself or another person, as an inducement or reward, in return for any Board Member or member of Senior Management doing, or omitting to do, any act in relation to his or her position or Ervia’s business.

5.3.2 With respect to Ervia’s operations or dealings in the UK, it is an offence under the UK Bribery Act 2010 to either entice or reward a person with a financial or other “advantage” to improperly perform his or her duties or to accept financial or other “advantage” in return for the improper performance of a duty. Similar laws apply in many other countries (such as the US).

5.3.3 Therefore in light of the above, Board Members and Senior Management may only accept gifts or other benefits provided that:-

- the gift/ benefit is unsolicited;
- the gift/ benefit is not being offered in an attempt to influence decision making;
- the gift/ benefit is not being offered by a person or an agent of a person seeking to obtain a contract from Ervia;
- the gift / benefit is one of small intrinsic value (e.g. diary, calendar, bottle of wine/spirits etc.); and
- not more than one gift/ benefit is accepted in a year from any one source.

5.3.4 In all other cases, gifts, etc. should be returned to the sender, with a note advising that acceptance would be contrary to Ervia policy. In no circumstances may cash or cash vouchers be accepted.

5.3.5 Details of gifts, benefits, etc. returned by Board Members must be notified at once to the Chairman and details of gifts returned by Senior Management must be notified at once to the Group Chief Executive Officer. In circumstances where Board Members are unsure as to whether or not it is appropriate to accept a gift or benefit of small intrinsic value, even after consulting

this Code, they should discuss the matter with the Chairman. In circumstances where Senior Management are unsure as to whether or not it is appropriate to accept a gift or benefit of small intrinsic value, even after consulting this Code, they should discuss the matter with the Group Chief Executive Officer.

5.4 HOSPITALITY

5.4.1 Modest hospitality (including lunch/dinner, social/sporting events and golf outings) may be accepted by Board Members and Senior Management in their capacity as such, provided:

- the frequency and scale of hospitality is not more than Ervia might be expected to give in return;
- the number of Board Members and Senior Management availing of the hospitality is kept to a minimum;
- invitations do not include the provision of travel or overnight accommodation;
- availing of the hospitality does not identify Ervia in a public way with any particular supplier or contractor; and
- that if the person offering the hospitality is seeking, or is likely to seek, to do business with Ervia or to gain some advantage which Ervia can give, that extreme care is taken. It is essential to avoid any suggestion of improper influence.

5.4.2 On a quarterly basis the Group Chief Executive Officer is required to provide the Chairman with details of all hospitality extended/accepted. Senior Management are required to provide the Group Chief Executive Officer with details of all hospitality extended/accepted by them and their direct reports on a quarterly basis. The Company Secretary is responsible for collating all hospitality returns from Senior Management and providing them to the Group Chief Executive Officer and for providing the Chairman with the Group Chief Executive Officer's hospitality returns.

5.4.3 In circumstances where Board Members are unsure as to whether or not it is appropriate to accept hospitality even after consulting this Code, they should discuss the matter with the Chairman. In circumstances where members of Senior Management are unsure as to whether or not it is appropriate to accept hospitality even after consulting this Code, they should discuss the matter with the Group Chief Executive Officer.

5.5 SPONSORSHIP

5.5.1 Sponsorship must never be solicited by Board Members and Senior Management from suppliers, contractors or other persons doing or seeking to do business with Ervia. Where sponsorship is offered it may only be accepted when expressly approved by the Chairman or Group Chief Executive Officer.

6.0 INFORMATION SHARING AND RETENTION

6.1 Board Members, and Senior Management will support Ervia in the provision of access by Ervia to general information relating to Ervia activities in a way that is transparent and enhances its accountability to the general public.

6.2 Users are required to comply with the Ervia’s Acceptable Usage Policy (PD82) when accessing Ervia’s information assets, hardware devices, computer networks, systems and facilities.

6.3 As outlined in the Acceptable Usage Policy, data owned, used, created or maintained by Ervia or third parties on Ervia’s behalf is classified into the following four categories:

Not Classified/Public	Information available to the general public and approved for distribution outside the organisation
Internal use only	Information not approved for general distribution outside the organisation and which does not clearly fit into the other classifications
Confidential	Information not approved for general distribution outside Ervia and of which disclosure could have an adverse impact on Ervia. Includes data covered by the Data Protection Acts under the category of “personal data”*. Confidential also includes information considered to be “commercially sensitive”† to Ervia
Strictly Confidential	Information which is strictly prohibited from general distribution outside Ervia and of which disclosure could have a serious adverse impact on Ervia. Includes data covered by the Data Protection Acts under the category of “sensitive personal data”** May also include information considered to be “commercially sensitive” †

* “*Personal Data*” means data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information. Examples of personal data include a customer name, address, contact details etc.

** “*Sensitive Personal Data*” relates to specific categories of personal data which include, amongst other criteria, information relating to the physical and mental health of an individual. Indicators used by Ervia to identify priority or special services customers are considered sensitive personal data.

† “*Commercially Sensitive Data*” relates to any information held by Ervia that if disclosed to an unauthorised party could:

- Result in loss or material financial damage to Ervia.
- Confer unfair commercial advantage or disadvantage.
- Result in reputational damage to Ervia.

6.4 The need for observing confidentiality in regard to Ervia company affairs is paramount. The unauthorised release of confidential or strictly confidential information directly or indirectly to third parties, including the media, represents a gross breach of trust which can be highly damaging to Ervia and is strictly prohibited. This also includes the loss, misuse or disclosure directly or indirectly of confidential or strictly confidential information or the disclosure of proprietary information, for example in relation to competitive matters, the introduction of new services, contracts or property transactions etc., information not in the public domain, personal data, information received in confidence, etc.

- 6.5 In particular, the attention of Board Members and Senior Management is drawn to the provisions of Section 20 of the Gas Act 1976 (as amended) which states that a person shall not, without the consent of the Board, disclose any information obtained by him while performing duties as a Member, or employee of the Board. A breach of this statutory duty is an offence liable on summary conviction to a fine. Attention is also drawn to Section 11 of the Water Services Act 2013 which provides that a person shall not disclose confidential information obtained by him while performing functions as a director or a member of the staff of Irish Water unless he is duly authorised by Irish Water to so do.
- 6.6 In addition to the obligations imposed by Section 20 of the Gas Act 1976 (as amended) and/or by section 11 of the Water Services Act 2013 as the case may be, Board Members have a duty of care and fiduciary duties to Ervia while they remain Board Members. Board Members are obliged to act in the best interests of Ervia. The duty of care requires Board Members, amongst other things, to take care so as to prevent the loss or accidental disclosure of Ervia confidential information. The unauthorised disclosure of Ervia confidential information by a Board Member constitutes a breach of his/her fiduciary duty. Likewise, the use of Ervia confidential information for any purpose other than that for which it was provided to the Board Member constitutes a breach of fiduciary duty.
- 6.7 In certain circumstances, Ervia and/or its subsidiaries may hold information which it is appropriate to restrict access to from other parts of the business, in particular commercially sensitive information regarding customer, financial or regulatory information. In order to ensure that information is not released or used inappropriately:
- Board Members and Senior Management should only release commercially sensitive information to authorised persons within the business;
 - If Board Members and Senior Management are unsure whether information is commercially sensitive, or whether the requester is authorised, Board Members should consult with the Chairman and Senior Management should consult with their line manager.
- 6.7.1 Board Members and Senior Management are also obliged to comply with Ervia's Data Protection Policy (PD64) when sharing information both within the business and externally.
- 6.8 The terms of engagement of consultants employed by Senior Management should be reviewed to ensure that they are subject to appropriate confidentiality obligations in carrying out their services.
- 6.9 Board members and Senior Management are required to comply with Ervia's Regulation of Lobbying Policy (PD4) which aims to give effect to the obligations and provisions of the Regulation of Lobbying Act 2015 with a view to bringing about significantly greater openness and transparency in respect of any lobbying activities in which Ervia engages.
- 6.10 Board Members and Senior Management must ensure that all supplier and tender information relating to tender processes in which Ervia is involved, is treated in the strictest confidence and disclosure of such information, in particular to another interested party, is strictly prohibited.
- 6.11 Board Members and Senior Management will observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive

information in the public interest and in particular will ensure compliance by Ervia with the provisions of the Data Protection Acts 1988 and 2003.

- 6.12 Board Members and Senior Management should take particular care to safeguard all Ervia company documents and should exercise due care in communicating such information. Board Members should not retain documentation obtained during their term of office and should return such documentation (including any copies) to the Company Secretary or otherwise indicate to the Company Secretary that all such documentation in their possession has been disposed of in an appropriate manner. The Company Secretary shall contact Board Members prior to the expiry of their term of office to arrange the return of any documentation (including any copies) that may have been retained during their term of office or otherwise obtain confirmation that all such documentation has been disposed of in an appropriate manner.
- 6.13 The Freedom of Information Act 2014 (the “FOI Act”) is in place to enable members of the public to obtain access, to the greatest extent possible consistent with the public interest and the right to privacy, to information in the possession of public bodies. Ervia is not subject to the FOI Act. However, Irish Water and Gas Networks Ireland are subject to the terms of the FOI Act. In addition, under the FOI Act, information provided by Ervia to public bodies subject to the FOI Act may become the subject of a freedom of information request.
- 6.14 Board Members and Senior Management must take all steps to ensure compliance by Ervia with the provisions of the FOI Act. In order to assist in maintaining the confidentiality of Ervia and its subsidiaries’ information, Board Members and Senior Management should ensure that when any confidential (including commercially sensitive) or strictly confidential information is submitted to Government Departments or other public bodies, appropriate wording is inserted to protect the documentation under the provisions of the FOI Act. In addition, it is important to ensure that appropriate confidentiality agreements are in place to ensure the confidentiality of any information released to consultants/ advisers appointed to assist Government Departments in relation to any dealings with Ervia and its subsidiaries. Queries and concerns in relation to freedom of information can be directed to Ervia’s Freedom of Information Officer by email to foi@water.ie.
- 6.15 Board Members and Senior Management should be aware that bonds issued by Ervia are listed on the Irish Stock Exchange. This requires Ervia to comply with provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) dealing with the disclosure to the market in a controlled and timely manner of information which, when made public, may have a significant effect on the price of such bonds. Any such information should, therefore, be treated in the strictest confidence until released to the market in the required manner.
- 6.16 Board Members and Senior Management should be aware that any attempt to engage in insider dealing or market manipulation with respect to bonds issued by Ervia and listed on the Irish Stock Exchange is strictly prohibited and may constitute a criminal offence. The Company Secretary will maintain a list of all persons within Ervia (including Board members) who have, from time to time, possession of information that may be regarded as insider information.

7.0 OBLIGATIONS

- 7.1 Board Members should use their reasonable endeavours to attend all meetings of the Board including Board committees. Board Members who are Directors of Ervia subsidiary or joint venture companies and other Directors of Ervia subsidiary or joint venture companies should

use their reasonable endeavours to attend all meetings of Ervia subsidiary or joint venture companies.

- 7.2 Board Members and members of Senior Management should not disclose any privileged or confidential information, or business or trade secrets of Ervia. This obligation does not cease when Board membership or employment has ended and is further referred to below in the section entitled Post Termination Obligations. All commercial information received while acting in the capacity of a Board Member or employee shall remain confidential indefinitely. Unless required by law or authorised by the Group Chief Executive Officer or Chairperson of the Board, Board Members or Senior Managers shall not disclose confidential information or allow such disclosure. Furthermore, Board Members and Senior Managers must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.
- 7.3 Board Members should seek to avoid circumstances in which a conflict of interest may arise as between their role as Board Member and any other employment and/or engagement. Board members who have any concern that such a conflict may arise should consult with the Chairman and where relevant should comply with the reporting requirements outlined at section 3 above.
- 7.4 Board Members and members of Senior Management must co-operate fully with Internal Audit in the internal audit process.
- 7.5 Involvement by Senior Management during their engagement as employees of Ervia in outside employment/business interests in conflict or potential conflict with the business of Ervia is prohibited. Senior Management, who are at any time involved in any gainful employment, and/or the running of any business or company outside of Ervia must inform the line manager in writing. This also applies to consultancy and contract work undertaken by Senior Management outside their employment. Senior Management, in doubt as to whether a particular personal activity or interest is governed by these guidelines, should consult the Group Chief Executive Officer for an interpretation and a decision.
- 7.6 Each Board Member and member of Senior Management has a responsibility to ensure that:-
 - 7.6.1 Ervia fulfils all regulatory and statutory obligations imposed upon it. If a Board Member finds evidence that there is non-compliance with any statutory obligations that apply to Ervia, he/she should immediately bring this to the attention of his/her fellow Board members with a view to having the matter considered and rectified. The matter should also be brought to the attention of the relevant Minister by the Chairman indicating (i) the consequences of such non-compliance and (ii) the steps that have been or will be taken to rectify the position;
 - 7.6.2 Ervia complies with applicable tendering and purchasing procedures as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;
 - 7.6.3 Ervia does not engage in any practice which distorts or is likely to distort fair and open competition in the procurement/ tender process;
 - 7.6.4 Controls are introduced to prevent fraud including adequate controls to ensure compliance with prescribed procedures in relation to the claiming of expenses for business travel;

7.6.5 Ervia does not engage in any illegal or criminal activities.

7.7 Members of Senior Management are required to seek Board approval for holding membership on the boards of bodies which are not a subsidiary to or associated with Ervia. In accordance with the One Person One Salary rule, Ervia employees may not be paid board fees for sitting on the boards of bodies which are not a subsidiary of or associated with Ervia. Board Members may not sit on more than two State Boards at the same time.

8.0 POST TERMINATION OBLIGATIONS

- 8.1 These provisions apply to Board Members only; the post-termination obligations of Senior Management are governed by the relevant provisions of their respective contracts of employment.
- 8.2 In accordance with section 5.5 of the Code of Practice, the acceptance by Board Members of a position of employment/engagement where the potential for a conflict of interest with Ervia or any part of Ervia arises should be avoided for a three (3) month period after the exercise of a function in Ervia has ceased. Before taking a position which will or might involve such a conflict of interest, a former Board Member should consult with the Chairman.
- 8.3 Former Ervia Board Members in considering whether or not to accept any position or role are asked to give due weight to whether the position or role would:-
- a) be likely to compromise their ability to comply with continuing obligations to respect the confidentiality of information obtained as a Board Member of Ervia; or
 - b) be likely to cause material harm to Ervia if such harm would not otherwise have arisen had they not been a Board member of Ervia.
- 8.4 Board Members should not, after their engagement as Members of the Board, disclose any privileged or confidential information, or business or trade secrets of Ervia. This obligation does not cease when Board membership or employment has ended. All commercial information received while acting in the capacity of a Board Member shall remain confidential indefinitely. Unless required by law or authorised by the Chairman, Board Members shall not disclose confidential information or allow such disclosure. Furthermore, Board Members must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.
- 8.5 Board Members should not, after their engagement as Members of the Board, retain documentation obtained during their term or employment. Board Members should return all such documentation to the Ervia Company Secretary or otherwise provide confirmation that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Board Members require access to Board papers from the time of their term on the Board, this can be facilitated by the Company Secretary in appropriate circumstances.

9.0 FAIRNESS

9.1 Each Board Member and member of Senior Management has a responsibility to ensure that:-

- Ervia complies with employment equality and equal status legislation.
- Ervia is committed to fairness in all business dealings.
- Ervia values its customers and treats all categories of customers equally.

10.0 WORK/EXTERNAL ENVIRONMENT

10.1 Each Board Member and member of Senior Management has a responsibility to ensure that:-

- Ervia places the highest priority on promoting and preserving the health and safety of employees.
- Ervia ensures that community concerns are fully considered.
- Ervia endeavours to minimise any detrimental impact of its operations on the environment.

11.0 PROCEDURE FOR NON-EXECUTIVE BOARD MEMBERS IN ACCORDANCE WITH THEIR RIGHT TO TAKE INDEPENDENT PROFESSIONAL ADVICE IF NECESSARY AT ERVIA'S EXPENSE

11.1 Subject to the following procedures and limitations, Board Members both individually and collectively have the right to consult Ervia's professional advisors and if necessary, seek independent professional advice at Ervia's expense in the furtherance of their duties as Board Members.

11.2 A Board Member shall request in writing the consent of the Chairman to seek independent professional advice under this procedure and shall provide the name of any professional advisors being proposed together with a brief summary of the subject matter and the reasons necessitating such consultation.

11.3 The Chairman shall provide a written acknowledgement of receipt of the consent request which shall state whether the Chairman approves the request and, if this is the case, whether the fees for the professional advice sought are payable by Ervia under this procedure and also advise the other members of the Board of the request.

11.4 Independent professional advice for the purposes of this procedure shall include legal advice and the advice of accountants and other professional financial advisors on matters of law, accounting and other regulatory matters but shall exclude advice concerning the personal interest of the Board Member(s) concerned.

11.5 Any advice obtained under this procedure shall be made available to the other Members of the Board.

12.0 RESPONSIBILITY

- 12.1 Board Members and the Chief Executive Officer have a responsibility to ensure that this Code is circulated to all Board Members, Senior Management, and Directors of Ervia subsidiary and joint venture companies who should acknowledge receipt and understanding of same.

13.0 MISCELLANEOUS

- 13.1 Board Members and Senior Management shall ensure that Ervia does not engage in “offensive” tax avoidance transactions with a view to reducing the amount of tax to be paid by Ervia or a party to a transaction in which Ervia participates.

14.0 REVIEW

- 14.1 Ervia shall review this Code on an annual basis. Ervia welcomes engagement with Board Members and Senior Management on the provisions of this Code. Any comments or queries relating to the Code can be directed to the Ervia Company Secretary.