
ANTI CORRUPTION CODE OF CONDUCT

Services Involved:	<ul style="list-style-type: none"> • All the Recipients
Approved by	Board of Directors

Review

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1. Foreword

Legislative Decree No. 231 of 8 June 2001 introduced in the Italian legal framework a system of penalties including forms of administrative liability of bodies for the Crimes committed in their interest or to their advantage by Senior Officers or by Personnel subject to the supervision and control of others.

In these cases, the liability of the Body is excluded when evidence is brought on the adoption and effective implementation, before the commission of the Crime, of organization, management, and control models suitable to prevent crimes of the same nature of the one taken place. Such models consist in operating or technological rules and measures (or in Protocols) which must be complied with by the personnel, as aimed at preventing the commission of the Crimes, and a system of controls aimed at assessing the efficacy of the Model, its suitability to the company, the effectiveness of the Model, or the effective compliance with the Protocols by the Personnel appointed to the Activities at risk of Crimes.


A necessary element, required by law and case-law, to guarantee the efficacy and effectiveness of the organization, management, and control models under Legislative Decree 231/2001, is the establishment of rules of conduct by which the Recipients must abide with respect to Directors, Auditors, General Managers, Liquidators, and Persons in Charge of drafting the accounting or fiscal records, and towards members of staff of private companies and/or bodies.

The objective of this Code of Conduct is to lay down rules of conduct with which the Recipients must comply in their dealings with the above persons, in order to prevent conducts that are suitable to lead to the commission of the Crimes under Legislative Decree. No. 231/2001

This Code of Conduct must thus be complied with by all the Recipients.

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2. Definitions

In compliance with the definitions contained in the document describing the Model adopted by the Company under Legislative Decree 231/2001, in this document and relative appendixes and attachments, the following terms and expressions shall have the meaning indicated below:

- *Activities at risk of Crime*: any process, operation, act, or any set of operations and acts, that may expose the Company to the risk of commission of a Crime.
- *“NCBA”*: The National Collective Bargaining Agreement applicable to the personnel of the Company at the date of adoption of the Model, the NCBA applied to the personnel of the Company is the NCBA for the metalworking and mechanical engineering sector, applicable to workers in the private metalworking and mechanical engineering industry and in the installation of systems and plants. The NCBA applied to executives is the National Collective Bargaining Agreement for Executives in Industrial Undertakings.
- *“Legislative Decree 231/2001” or “Decree”*: Legislative Decree No. 231 of 8 June 2001, providing the *“Regulation of the administrative liability of legal persons, companies, and associations, including without legal personality, under Article 11 of Law No. 300 of 29 September 2000”* published in Official Gazette No. 140 of 19 June 2001, as amended.
- *“Recipients”*: Corporate bodies (Board of Directors, Sole Director, and Auditors), Employees, Suppliers of good and/or services, External Collaborators, Agents, and all those who act in the interest or to the advantage of the Company, with or without representation, and irrespective of the nature or type of relationship with the principal Company. The Recipients are held to comply with the Model, the Code of Ethics, and the prevention Protocols.
- *“Employees”*: any natural person who have entered into a wage labour agreement with the Company.
- *“Code of Ethics”*: the document, officially deliberated and approved by the top management of the Company as an expression of its corporate policies, containing the general principles of conduct - and namely, recommendations, obligations and/or prohibitions - by which the Recipients must abide, and which violation is punished.
- *“Guidelines”*: the Guidelines for the creation of the organization, management, and control models under Legislative Decree 231/2001, published by category associations, taken into consideration for the purpose of drafting and adopting the Model
- *“Organization, Management, and Control Model pursuant to Legislative Decree 231/2001” or “Model”*: the organization, management, and control model deemed by the Corporate Bodies to

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be suitable to prevent the Crimes, and, thus, adopted by the Company, pursuant to Articles 6 and 7 of the Legislative Decree, for the purpose of preventing the commission of the Crimes by the Senior Officers or Subordinate Personnel, as detailed in this document and in the attachments thereto.

- **"Corporate Bodies"**: the Board of Directors (or the Sole Director) and/or the Board of Auditors of the Company, in function of the meaning of the language referring thereto.
- **"Supervisory Body" or "SB"**: the body provided under Article 6 of the Legislative Decree, with the task of overseeing the functioning and compliance of the organization, management, and control model, and the updating thereof.
- **"Personnel"**: all the natural persons who have entered into a work agreement with the Company, including wage labour workers, temporary workers, collaborators, "interns" and self-employed professionals who have received an appointment by the Company.
- **"Senior Officers"**: the persons referred to in Article 5, paragraph 1, letter a) of the Decree, and namely the persons serving as representatives, or holding administrative or senior officer positions within the Company; in particular, the Chief Executive Officer and any proxies and attorneys of the Company.
- **"Personnel subject to the direction of others"**: the persons referred to in Article 5, paragraph 1, letter b) of the Decree, and namely all the Personnel that operate under the direction or supervision of Senior Officers.
- **"Public Administration" or "PA"**: The term Public Administration shall mean:
 - the State (or State Administration);
 - the Public Bodies: please note that the term Public Body shall refer to anybody defined as such by law, or to a Body subject to a system of public control, the influence of the State or other Administration for any matter concerning the appointment and removal of its directors, and the Administration of the Body itself. It is characterised by the participation of the State, or other Public Administration, in the management costs thereof; or, by the directive power which the State can exercise with regard to its internal bodies; or by operating through public institutional funding; or by its being established by public initiative; By way of example and not limitation, the following are considered Public Administrations in the broad sense: Ferrovie dello Stato [State Railways], Autostrade S.p.A. [Motorway Concessionary], AEM Milano [Municipal Electricity Provider], etc.
 - Public Official: a person who exercises "a public legislative, judicial, or administrative function". Under criminal law, "any administrative function regulated under public law provisions and acts of authorities, and characterised by the manifestation of the will of the public administration or by its operation through authoritative or certification powers, shall be deemed public" (Article 357 of the Criminal Code);



- Person in Charge of a Public Service: any person who "for whatever reason, provides a public service. The term public service shall mean any activity regulated in the same manner as the public function, but is characterised by the absence of the powers typical of a public function, with exclusion of the performance of routine duties and the provision of purely manual work" (Article 358 of the Criminal Code). Please note that "for any reason whatsoever" must be intended in the sense that a person exercises a public function, including without a formal or official investiture (being "de facto" appointed to a public service). The relationship between the PA and the person carrying out the service is in fact irrelevant.
- "Protocol": the organisational, physical, and/or logical measures provided in the Model for the purpose of preventing the commission of the Crimes.
- "Crimes" or the "Crimes": the set of crimes or single crime, provided under Legislative Decree 231/2001 (as amended, including in the future).
- "Sanction and Disciplinary System": the set of sanction measures applicable in case of violation of the rules of conduct and procedures included in the Model;
- "Company": Franchini Acciai S.p.A.


3. Corporate Policy

The Company does not tolerate any form of abuse of office (passive corruption) and corruption, including with respect to personnel of private companies.

The entire Personnel is held, in the performance of their work activities, to take a position of firm opposition to any form of abuse of office and corruption.

The Company and the Recipients are committed to ensure that all the laws and regulations that aim at countering the abuse of office and corruption, in every activity carried out, are complied with in full.

The Company's "anti-corruption" policy, laid out in this Code of Conduct, is the operative and practical expression of the values and principles formalised in the Code of Ethics, which inspires the Company, and to which the Company is willingly bound.

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4. Application

All the Recipients are held to operate in compliance with this Anti-Corruption Code of Conduct when they act in the interest or to the advantage of the Company.

5. Rules and Principles of Conduct

We provide below the standards of conduct that must be complied with for the purpose of ensuring a "zero tolerance" approach against the abuse of office and corruption.

5.1. General Rules of Conduct

Any act of abuse of office (passive corruption) and corruption is forbidden.

The Recipients may not:

- directly or indirectly or through a third party offer money or other undue benefit to directors, general managers, officers tasked with the drafting of the Company's accounting records, auditors and liquidators, other persons who exercise managerial functions, or persons subject to the direction and supervision of the above, of client or provider companies, or other private bodies, for the purpose of obtaining an interest or advantage of any kind in terms of business for or on behalf of the Company;
- directly or indirectly ask for or accept money or other benefit from clients, suppliers, or other person, or seek any advantage of any kind whatsoever in exchange therefore;

The Recipients are also forbidden from, by way of example and not limitation,

- offering, suggesting, or authorizing the offer or payment of any undue money or other benefit to one or more directors, managers, officers, employees, or collaborators of a private body or company for the purpose of inducing them to perform, or providing compensation or carrying out, any act in violation of their duties or to violate their obligations of loyalty towards their private body or company;
- accepting or soliciting the payment of any undue money or other benefit to one or more directors, managers, officers, employees, or collaborators of the Company, of a third-party company, or a private body, for the purpose of inducing them to perform, or providing compensation for carrying out, any act in violation of their duties or to violate their obligations of loyalty towards their respective bodies or companies;
- using funds which are known, or suspected to be, originating from a Crime;
- assisting or taking part in the commission of any activity that constitutes a Crime;

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- establishing, knowingly laying down, or maintaining processes or procedures or schemes with the intent of making illegal payments;
- becoming engaged in any activity with consumers, clients, suppliers, business partners, and other third parties, which may constitute a Crime;

By way of example, the following activities may be classified as Corruption:

- the gifting of money or other benefit for the purpose of obtaining a work opportunity;
- the payment of money or other benefit to an employee of a legal person for the purpose of obtaining confidential information; and
- accepting gifts of disproportionate value from a supplier of services.

The Recipients are forbidden from eluding the above guidelines by resorting to different forms of assistance or contributions, which, under the guise of, by way of example, sponsorships, appointments, advisory services, advertisement, including in favour of third-party private bodies and companies, pursue the same prohibited purposes listed above.

Each Recipient who asks, claims, or receives, for themselves or for others, any undue money or other benefit, or who accepts the promise thereof, to carry out or to omit any act in violation of their duties or obligations of loyalty to the Company (passive corruption), is subject to the same sanctions to those who take the initiative to perform active corruption. Any act in violation of one's obligation of loyalty to the employer company or principal, and any act of corruption - including with private parties - may cause the authors of such violations to personal criminal liability, and the Company to be held liable under Legislative Decree No. 231/2001


If a Recipient of the Model should be confronted with any activity that entails the commission of an act in violation of the obligations inherent to their duties or the obligation of loyalty, the same must relinquish such activity.

5.2. Representation Expenses

All representation expenses must have an appropriate business objective, must be connected with some form of work activity, and must be managed by the corporate Areas / Departments / Functions. The term representation expenses shall not include the organization of any Event, which must be managed and recorded within the scope of internal budget processes (with the exception of lunches upon the closing or completion of an activity, which may be deemed as social events, see below).

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5.3. Gifts, Business Entertainment, and Events

The Recipients (or other persons acting on their behalf) may not:

- give or receive any gift or offer or accepting to take part in any business entertainment, events, or other forms of hospitality which may:
 - constitute a reason of improper influence or incentive, including, by way of example, the expectation to receive a business advantage or to obtain a reward for any advantage that was already obtained or which may be perceived as such;
 - consist in gifts and/or participation in business events for friends or relatives of the Recipients;
- violate laws and regulations or procedures of the Company. All the regulatory principles included in the Company's procedures must be complied with (see the prevention procedures and protocols of the Company with concern to dealings with the PA, gifts and other donations, sponsorships, free loans of assets).

When offering or receiving gifts or organizing / accepting to participate in work entertainment activities and events, the following principles must be complied with:

- the motive underlying the gift, work entertainment activity, or event, must be closely correlated with the business activity (such as, the development of business relationships or the promotion of products and services of the Company);
- such gifts, activities and events must be of a modest and reasonable value, appropriate in ever circumstance, and not liable to compromise the integrity and reputation of the Company. There is no minimum value threshold below which gifts or other advantages are in any case allowed. At any rate, gifts must have a symbolic value or in any way not significant, so that they may not be deemed as being given for the purpose of exercising pressure or any undue influence. In this context, the timing of a gift, the fact that it was made transparently, and the selected recipient of the gift, assume special relevance,
- as they must be coherent with the context of the business occasion and in line with corporate practice. In other words, they should not be as sumptuous and ostentatious as to create the impression of having the intention to influence someone's decision in exchange for such gifts;
- they must be transparent and discussed openly. In other words, if communicated to information companies, they should not cause embarrassment to the Company or the recipient;
- the timing of their organization must be appropriate. In other words, they should not coincide with taking part in a commercial offer, with the process of acquisition of a potential business, or with any decision-making process concerning new business and/or transactions, and

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- they must be consistent with all the requirements detailed in this document, and all the required authorizations must have been obtained (see below).

For the avoidance of doubt, any giving/receiving of gifts, and the organization/taking part in business entertainment and events, are forbidden when carried out, either directly (personally) or indirectly (through third parties), unless expressly authorized by the President and Chief Executive Officer or other person duly delegated to grant such authorization.

For no reason whatsoever will Gifts and Events be offered to directors, general managers, officers tasked with the drafting of the corporate accounting records, and other persons exercising managerial functions or subject to the direction and oversight of the above without the prior authorization by the President and Chief Executive Officer or other person being duly delegated to grant such authorizations, except in case of Gifts of negligent value or when such Gifts are part of normal business practice (such as Christmas gifts, etc.).

5.4. Use of Third Parties

The Recipients must be careful when selecting and/or dealing with third parties (agent/agencies, intermediaries/intermediary firms, etc.). The Company, in fact, may be deemed liable for acts of abuse of office and corruption carried out by such third parties.

The employment of such third parties must be carefully evaluated to check whether it is consistent with the following principles:

- the nature of the transaction and the activities for which the Company has entered into agreements with third parties, based on local business practice, must be consistent and compliant with the applicable laws and regulations; and
- the conditions of employment of such third parties (and especially the allocation and method of compensation) are clearly defined and detailed in written agreements that include anti-corruption provisions, and detailing compliance with the Decree.
- the proposed compensation must be consistent with the services rendered, both in absolute terms and with respect to the value of the deal.

The Company prohibits any Recipient or third party from giving, promising to give, offering money or other utility to directors, general managers, offices tasked with the duty of drafting the Company's accounting records, with auditors, liquidators, and other persons who exercise managerial functions or who are subject to the direction or oversight of the above, in the interest or to the advantage of the Company.

No Recipient must give or promise any money or other advantage to a third party, knowing that part or all the value thereof will be transferred to one of the above persons, in violation of this procedure. The Recipients must see to record and save all the documentary evidence (such as, by way of example, contracts, service agreements, financial documents, invoices, etc.) suitable to justify payments to third parties.

In the agreements with third parties must be included, by the Person in Charge of the Legal Office and by the person/s in charge of purchases, all the contractual provisions respecting Legislative Decree 231, and an anti-corruption clause (as per Protocol for 231 Contractual Provisions).

5.5. Donations and Sponsorships

Donations and Sponsorships to associations and other non-for-profit organizations are allowed in compliance with the dedicated prevention protocol.

However, Donations and Sponsorships may constitute acts preparatory to the commission of corruption when granted improperly and not in compliance with the restrictions provided in the procedures. This type of Donations and Sponsorships are prohibited. The Company makes exclusively legal and ethical Donations and Sponsorships.

Donations and Sponsorships are subject to the requirements detailed in the relative procedure, if it exists, or to the conduct guidelines prepared by the Company.

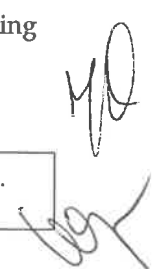
5.6. Financing of Political Parties


The Company maintains a politically neutral position, and rejects any form of financing of political parties through anything of value, including when such action is allowed in the local jurisdiction.

The Company and the Personnel are not authorized to make any political donation.

6. Roles and Responsibilities

The Company's Personnel and Corporate Bodies must be familiar with and abide by this Code of Conduct, and any procedure consistent with the indications herein contained. The prevention, identification, and reporting of abuse of office and other forms of corruption are in the responsibility of anyone, including Employees or other Recipients, who operates on behalf of the Company.



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All the Recipients must avoid any activity which may prompt or lead to any violation of this procedure.

The Recipients who refuse to accept, take part in, or propose a corruptive agreement, or those who raise questions about, or report an unlawful act committed by another Recipient, may not fear any repercussions. To such an end, the Company ensures not to implement any form of retaliation towards any person who has refused to engage in conducts or acts that are in violation of this Code of Conduct, or who has reported them.

To this end, the Company encourages transparency, and shall provide any suitable support to anyone raising suspicions, in good faith, respecting any violation of this Code of Conduct, including by providing the support of the Company's Supervisory Body.

7. Information and Awareness

The Company, and, on its behalf, the Personnel Management Function, must:

- ensure the distribution of this Code of Conduct to all the Recipients;
- plan mandatory training courses for all the Personnel on the principles detailed in this Code of Conduct.

In its dealings with third parties, where possible, the Company will include contractual clauses informing the policies and procedures adopted by the Company, and on the consequences which any conduct contrary to the principles contained therein will have with respect to such contractual relationships.

8. Reports

The Recipients must report any violation of this Code of Conduct to the Supervisory Body.

The Recipients must report to their own Supervisory and to the Supervisory Body upon the proposal of any corrupt agreement, when they are asked to engage in any act of corruption, and when they suspect that any such event may occur in the future.

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