Rev. September 2018

ORGANISATIONAL, MANAGEMENT

AND CONTROL MODEL

adopted pursuant to Italian Legislative Decree no. 231 of 8 June 2001

"*Regulations dealing with the administrative liability of legal entities, companies and associations also without legal personality*"

Adopted by the Board of Directors of Lucchini RS S.p.A.

on 30 October 2018

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GENERAL PART

1. Introduction

Lucchini RS S.p.A. (hereinafter referred to as “Lucchini RS” or the “Company”), with reference to the regulation of the administrative liability of companies, intended to adopt its own Organisational, Management and Control Model (hereinafter referred to as "Model") pursuant to Italian Legislative Decree 231/2001 (hereinafter referred to as "Lgs. D. 231/2001" or "Decree"). Moreover, in order to implement the regulations contained in Italian Law no. 190/2012 (hereinafter referred to as "L. 190/2012"), the Company introduced and implemented organisational and management measures to prevent corruption, extending the scope of application of the Model to the offences considered by L. 190/2012 (in this regard, please refer to the Special Part "Measures to Prevent Corruption"). In preparing this Model, Lucchini RS was inspired by the Guidelines issued by Confindustria on 7 March 2002 and last updated in March 2014 and approved by the Ministry of Justice on 21 July 2014. Moreover, the Company took into account the “Guidelines for the implementation of regulations on the prevention of corruption and transparency by companies and private-law entities controlled by and investees of public administrations and economic public bodies” prepared by the National Anti-Corruption Authority (ANAC, Autorità Nazionale Anticorruzione) with Resolution 1134/2017 and the 2017 National Anti-Corruption Plan.

1.1 Italian Legislative Decree no. 231 of 8 June 2001

1.2 The administrative liability system for legal entities, companies and associations

In implementation of the proxy pursuant to art. 11 of Italian Law no. 300 of 29 September 2000, Italian Legislative Decree no. 231 was issued on 8 June 2001 (hereinafter referred to as the "Decree"), which came into force on 4 July 2001, by which the Legislator brought the internal regulations into line with the international agreements on the liability of legal entities entered into by Italy some time ago. In particular, these are the Convention of Brussels of 26 July 1995 on the protection of the European Communities' financial interests, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or of Member

States, and the OECD Convention of 17 December 1997 on the fight against corruption of foreign Public Officers in international business transactions.

The introduction of the Administrative Liability of Legal Entities represents one of the most significant reforms that, in implementation of the commitments undertaken at EU and international level, affected the Italian legal system.

The need to protect and guarantee the safety of the Market, which has by now assumed the characteristics of a global market that goes beyond the borders and the particularisms of the single States, as well as the transformation of the organisational structures of the company, on the one hand, pushed the international community to try to create a homogeneous penalty system for unlawful behaviour and on the other hand, to identify specific responsibilities for companies that - as true protagonists of international traffic - took on increasingly complex structures in terms of size and organisation.

The involvement of Legal Entities, both in the prevention policy and in the responsibility for the behaviour of the individuals who are part of their organisation, appears, in fact, to be a necessary step to ensure a general fairness and ethicality of the Market.

The decree "*Regulations dealing with the administrative liability of legal entities, companies and associations also without legal personality*" introduced into Italian law the administrative liability (substantially comparable to criminal liability) of legal entities, companies and associations, including those without legal personality (hereinafter referred to as the "**Entities**") when certain white-collar crimes and administrative offences, specifically identified by the Decree or by regulations that refer to it, are committed in their interest or for their benefit by (i) natural persons entrusted with the representation, administration or management of the legal entities or of their organisational unit with financial and functional autonomy, as well as persons who actually manage and control the legal entities (hereinafter referred to as "**Managerial staff**"), or (ii) natural persons submitted to the management or supervision of one of the Managerial staff.

This administrative liability of the Entity is in addition to that of the natural person who materially committed the offence and, by express provision of art. 8 of the Decree, is independent from that of the perpetrator of the offence.

The provision of administrative liability of Entities arising from an offence is aimed at involving in the punishment of certain criminal offences, expressly identified in terms of law in accordance with the

principle of legality, legal entities, companies and associations, including those without legal personality, who have benefited from the commission of the offences.

1.3 Offences envisaged by the Decree

The offences currently relevant for the purposes of the entity's liability are those against Public Administration (art. 25 of the Decree - Extortion, undue inducement to give or promise benefits and corruption) and against its property (art. 24); computer crime offences (art. 24 bis), organised crime offences (art. 24 ter); offences of counterfeiting currencies, securities, revenue stamps and identifying marks or tools (art. 25 bis); crimes against the industry and trade (art. 25 bis 1), corporate offences (art. 25-ter); offence of corruption in the private sector (art. 25 ter let. s-bis); offences for the purposes of terrorism or overthrow of democracy (art. 25-quarter); offences of female mutilation (art. 25-quater.1); offences against the individual (art. 25-quinquies); market abuse offences (art. 25-sexies) and related administrative offences (art. 187-bis, 187-ter, as referred to in art. 187-quinquies TUF (Consolidated Law on Finance); transnational offences (pursuant to art. 10, Italian Law 146 of 16 March 2006 including offences of criminal associations, associations with the Mafia, etc.), offences of negligent homicide and serious personal injury, in violation of occupational health and safety regulations (art. 25-septies) and offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, of self-money laundering (art. 25-octies), offences relating to copyright violation (art. 25-novies), offence relating to inducement not to make statements or to make false statements in court (art. 25-decies), environmental offences (art. 25 - undecies), offence of employment of illegally staying third-country nationals (art. 25-*duodecies),* the offences of incitement to racism and xenophobia (art. 25 terdecies).

1.4 The adoption of an organisational and management model as a possible exemption from administrative liability

Article 6 of the Decree envisages that Entities must not be liable for the offence committed in their interest or for their benefit by one of the Managerial staff if they are able to prove that:

(i) they have adopted and effectively implemented, before the offence was committed, an organisational and management model fit for preventing the commission of offences such as those occurred;

(ii) they have entrusted their own body, enjoying independent powers of initiative and control, with the task of supervising the operation of and compliance with the model and of ensuring that it is updated;

(iii) the commission of the offence by the Managerial staff occurred only after the fraudulent circumvention of the prepared organisational and management model.; and

(iv) the commission of the offence was not the result of an omission or insufficient supervision by the supervisory body.

On the other hand, if the offence is committed by subjects submitted to the management or supervision of one of the subjects indicated above, the entity is liable if the commission of the offence was made possible by failure to comply with the management and supervision obligations. This non-compliance is, in any case, excluded if the entity, prior to the commission of the crime, adopted and effectively implemented a Model fit for preventing offences such as those occurred.

Pursuant to Article 7 of the Decree, if the offence in the interest of or for the benefit of the Entity is committed by a person subject to the management or supervision of a managerial staff, the adoption and effective implementation of an organisational and management model aimed at preventing offences such as those occurred exempts the Entity from liability.

Pursuant to art. 12 and art. 17 of the Decree, the adoption of an Organisational and management model is important, in addition to being a possible exemption for the Entity from administrative liability, also for the purposes of reducing the fine and of the inapplicability of debarment sanctions, provided that it is adopted prior to the opening statement of the first instance hearing and is fit for preventing the commission of offences such as those occurred.

Pursuant to the second paragraph of Article 6 of the Decree, the organisational and management model of an Entity must:

(i) identify the activities within which the offences envisaged by the Decree can be committed;

(ii) establish procedures aimed at preventing the commission of offences with which the managerial staff must comply when taking and implementing the decisions of the Entity;

(iii) identify methods for managing financial resources that are suitable for preventing the occurrence of situations likely to favour the commission of offences, such as typically the creation of concealed funds;

(iv) envisage disclosure obligations of various business sectors vis-à-vis the body in charge of supervising the operation of the model; and

(v) introduce a disciplinary system capable of punishing the non-compliance with the provisions of the model, so as to ensure its effective implementation.

Therefore, Organisational and management models consist of a set of rules of procedure aimed at the prevention of offences and of a series of measures for notifying the violations of the identified procedures. Therefore, the adopted model must envisage appropriate measures to ensure that the Entity's activity is carried out in compliance with the law and to find and eliminate in a timely manner situations of risk that may lead to the commission of an offence in the interest of or for the benefit of the Entity.

2. Adoption of the Organisational and Management Model by Lucchini RS S.p.A.

2.1 Objectives pursued by Lucchini RS S.p.A. with the adoption of an organisational and management model

Lucchini RS - in order to ensure fair and transparent business management and in carrying out the activities that constitute its corporate purpose, to protect its position and image and that of its subsidiaries, the expectations of its shareholders and the work of its employees - decided to implement an organisational and management model pursuant to Article 6, paragraph 2 of the Decree (hereinafter referred to as the “**Model**”).

2.2 The specific objectives of the Model

The purpose of this Model is to adopt a structured and organic system of rules of behaviour and control in order to better monitor the risks of offences considered relevant by the Company, to be carried out also as a preventive measure, which makes it possible to prevent the commission, in the interest or for the benefit of Lucchini RS, of the different types of offences envisaged by the Decree.
In particular, by identifying the areas in which it is possible to commit the offences envisaged by the Decree (hereinafter referred to as the "**Risk Areas**") and by providing specific procedures for activities concerning such areas, the Model intends:

(i) to allow Lucchini RS, by monitoring the Risk Areas, to intervene immediately to prevent or counter the commission of the offences for which the Decree envisages an administrative liability of the Entities;

(ii) to determine, in all those who work in the name or on behalf of Lucchini RS in the Risk Areas, the awareness of being able to give rise to an administrative liability of the company, should they commit in the interest or for the benefit of the company the offences covered by the Decree;

(iii) to reaffirm that the behaviour constituting the offences referred to in the Decree is strongly condemned by Lucchini RS, even if carried out in its interest or for its benefit, in that it is contrary not only to law provisions, but also to the ethical and social principles on which the activity of Lucchini RS is based.

In order to achieve these objectives, Lucchini RS carried out first of all a mapping of the activities at risk (indicated below).

This activity began by analysing the available documents.

Based on the information resulting from these documents, interviews were carried out with the Department managers in order to identify in a timely manner the risks of offences supposedly identifiable in the individual areas of activity, as well as the controls already in place to mitigate the aforementioned risks. The interviews were also aimed at starting the process of raising the awareness of the Managers as to the provisions of Lgs. D. 231/2001, the activities of adapting the Company to the aforementioned Decree, the importance of compliance with the procedures and internal rules adopted by the Company for the prevention of crimes.

Following these meetings, *minutes* were drawn up in which the risk profiles identified in each Department are reported.

With a special reference to issues relating to health and safety at work and environmental protection, following the company reorganisation process that involved the Company with the transfer of the industrial/production sector to the subsidiary Lucchini Industries S.r.l., the available risk analysis documentation was collected and the company representatives responsible for occupational safety and the environment were interviewed (in particular, Employer, Head of the Prevention and Protection Service, Head of the Environmental Management System, shared by both companies Lucchini RS and Lucchini Industries) in order to:

- support them in self-assessing the risk assessment activities and other fulfilments carried out by the Company;
- describe the roles, responsibilities and activities assigned to the players involved in the field of safety and environmental protection.

In order to manage the aspects of health and safety at work and environmental protection, Lucchini RS uses the services provided by its subsidiary Lucchini Industries, as part of the service contract.

Based on the above analyses, Lucchini RS considers it necessary to do the following:

(i) establish methods for documenting activities relating to Risk Areas that allow *ex-post* verification of such activities;

(ii) define the responsibilities of the subjects operating in the Risk Areas in compliance with the principle of separation between operational and control functions;

(iii) define the powers of authorisation of the Managerial staff in a manner consistent with the responsibilities assigned to it;

(iv) assign to a control body (for further details on the aforementioned control body - the Supervisory Body - see chapter 3) specific tasks of supervising the effective and correct operation of the Model and updating it; and

(v) raise awareness and disseminate on all business levels the rules of behaviour and procedures established by the Model.

2.3 Recipients This Model is targeted to all the personnel - even those hired after the adoption of the Model - of Lucchini RS, in particular, to those who carry out the activities identified as being at risk. Therefore, the provisions of this Model must be met both by managers - even those hired after the adoption of the Model - having representative, management, administration and control functions, as well as by all the workers subject to the management or supervision of the managers for any reason, hereinafter referred to as “Recipients”. This Model is also addressed to those who work under mandate or on behalf of the Company, as well as to those who, although not functionally related to Lucchini RS, act under the management or supervision of the company's top management. Therefore, Lucchini RS requires, through the provision of specific contractual clauses (referred to in Annex G of this document), all Collaborators and Consultants to comply with the Model in relation to the areas of activity, as well as to comply with the provisions of the Code of Ethics.

The Company requires its Suppliers and Partners to comply with the provisions laid down by the Decree and with the adopted ethical principles, through the documented examination of the Code of Ethics of Lucchini RS. Finally, although they are not included among the subjects that entail the liability of the entity pursuant to the Decree, this Model is also addressed to the auditors of the Company.

All the Recipients thus defined are required to comply, with the utmost diligence, with the provisions contained in the Model and its implementation protocols.

2.4 Structure of the Model: General Part and Special Parts depending on the different offences

This Model consists of a General Part, which contains the general principles and rules of the Model, and a Special Part, which is the heart of the Model and is divided into 7 sections.

The General Part describes the regulatory framework of the Model, identifies the recipients and defines the purpose and structure. It also sets out the functions and powers of the Supervisory Body, the rules governing the updating of the Model, the disciplinary system, the obligations to disclose and disseminate the Model and the training of personnel.

On the other hand, the Special Part identifies the types of offence that must be prevented and the "sensitive" activities (i.e. those where it is theoretically possible to commit the offence). In this regard, the Company identified six categories of important offences (the Offences):

- offences against the Public Administration
- offences of corruption envisaged by L. 190/2012
- corporate offences
- offences committed in violation of accident-prevention regulations and on the protection of occupational health and safety
- offences committed in violation of environmental regulations
- crimes against public faith, industry and commerce and relating to copyright violation
- offences of money laundering, use of money, goods or benefits of unlawful origin, of self-money laundering

For each type of offence, the Special Part contains a brief description of the criminal offences and the rules of behaviour that must guide the Recipients of the Model in the management of company activities.

This Model is also accompanied by the prevention protocols that indicate the rules of organisation and control to be adopted in order to prevent unlawful behaviour.

On the other hand, with regard to computer crime offences (art. 24 bis), counterfeiting currencies (art. 25-bis), offences for the purposes of terrorism or overthrow of democracy (art. 25-quarter), mutilation practices (art. 25.quater.1), crimes against individual freedom (art. 25-quinquies), transnational offences (art. 10 L. 146/2006), white-collar crimes and administrative offences of market abuse (art. 25 sexies); the offence relating to inducement not to make statements or to make false statements in court (art. 25-decies), the offences of incitement to racism and xenophobia (art. 25 terdecies), the risk of their commission was considered an off-chance in the interest or for the benefit of Lucchini RS and with regard to the current operations of the Company. Nevertheless, the reference to the principles contained both in this Model, including its annexes, and in the Code of Ethics seemed comprehensive, where, among others, the company representatives of Lucchini RS and its collaborators, suppliers and service providers are bound to respect the values of protection of the individual personality, fairness, morality, dignity and equality as well as respect for the laws.

2.5 Amendments and additions to the Model

In compliance with the provisions of Article 6, paragraph 1, letter a) of the Decree, pursuant to which the Model is a deed adopted "by the governing body" of the Entity, Lucchini RS grants its Board of Directors the power to adopt, also on the basis of indications and proposals from the Supervisory Body, amendments to the Model and to adopt additions to it with further Special Parts, relating to other types of offences that, as a result of regulatory changes, are included in or in any case related to the scope of application of the Decree and for which a risk of commission is deemed to exist in the interest or for the benefit of Lucchini RS.

During the process of updating the Model, Lucchini RS assessed the adequacy of its Code of Ethics in order to implement and formalise the principles and rules of ethics and behaviour and adapt it to the specific needs expressed by the Decree and the company's activities.

2.5.1 Risk Assessment - Updating of the Model

The process of company reorganisation and the changes that affected the Company's organisational structure, compared to what was already considered in the risk assessment work that led to the updating of the Model approved by the Board of Directors on 28 April 2016 and lastly on 26 April 2018, in order to adopt measures to prevent corruption, required a new update of the Company's Model. The adjustment process for the purposes of defining the Model was carried out taking into account the provisions of Lgs. D. 231/2001 and the Guidelines drawn up on the subject by Confindustria. To this end, the "sensitive" activities previously identified were reviewed, the risk profiles were identified with respect to these activities, and the efficiency of the internal control systems was assessed with respect to significant unlawful behaviour.

Based on the collected information, interviews were carried out with the direct involvement of company management to check the topicality of the mapping previously carried out and to update it with respect to the possible offences not previously contemplated.

The areas at risk of commission of the aforesaid white-collar crimes and administrative offences have been identified, as well as the instrumental areas. These areas embrace the activities whose performance can directly result in the commission of one of the aforesaid situations of unlawful behaviour and the areas in which, in principle, the *conditions, opportunities or means* of committing the crimes in question may arise, respectively.

Following the *risk assessment activity, the* Special Parts of the Model have been updated.

2.6 Adoption of the Model by Companies controlled by Lucchini RS

Each Group Company is required to carry out autonomously the activity of preparation and revision of its Organisational Model as it is the individual recipient of the precepts of Lgs. D. 231/2001. The adoption by each Group Company of its own autonomous Model allows them to develop a model that is truly calibrated to their own organisational and management company, confirming the autonomy of the individual Company within the Group.

Only each Company can carry out the precise and effective recognition and management of the risks of possible commission of a crime, necessary for the exemption referred to in art. 6 of the Decree to be effective for the model. Each Subsidiary company establishes an autonomous and independent Supervisory Body with the primary task of supervising the implementation of the Model according to the procedures described therein and based on the indications contained in art. 6 and art. 7 of the Decree.

The Lucchini RS Model represents the point of reference for defining the organisational models of the directly and indirectly controlled Companies, with a special attention to the principles defined in it. There is no prejudice to the identification by each Subsidiary of sensitive activities and specific protocols on the basis of the peculiarities of its own company. All changes and additions to the Lucchini RS Model must be promptly communicated to the Subsidiaries so that, within the scope of the aforementioned autonomy, they can assess whether it is appropriate to adapt their respective Organisational, Management and Control Models.

Foreign companies, directly or indirectly controlled by Lucchini RS, adopt the Group's Code of Ethics, in compliance with the peculiarities of local regulations.

2.7. Identification of areas and business processes with potential "risk of offence".

In accordance with the provisions of art. 6, paragraph 2, letter a) of Lgs. D. 231/01, the areas of activity and business processes that can be identified as at "risk of offence" (following the "*mapping of the activities at risk*", described in paragraph 2.5.1. above) or within which there could be potential risks of commission of offence are reported:

(i) Management of relations with officials of the Public Administration during:
- inspections;
- business activities;
- requests for licences, authorisations, approvals;

(ii) management of financial flows and reimbursement of expenses;

(iii) selection and recruitment of personnel;

(iv) management of public funds;

(v) management of gifts and sponsorships, contributions;

(vi) procurement of goods, services and consultancy;

(vii) preparation of the financial statements and their annexes;

(viii) management of software applications, infrastructures and IT resources;

(ix) management of occupational health and safety requirements;

(x) management of environmental requirements;

(xi) agent management;

(xii) management of relationships with Tax Authorities (Revenue Agency, Guardia di Finanza, Customs Agency, etc.), contracts with related parties, management of equity investments (Italian and foreign) and intra-group transactions.

Moreover, the analysis of the company's activities made it possible to identify the following risk areas in relation to offences of corruption envisaged by L. 190/2012:

· *Management of relationships with Tax Authorities (Revenue Agency, Guardia di Finanza, etc.) at all levels (central, regional, local);*
· *Management of relationships with civil servants as part of the inspection and control activities carried out by the Public Administration;*
· *Management of the obligations relating to the payment of social security and insurance charges;*
· *Management of legal disputes, arbitration and/or management of relations with directors, employees or third parties involved in judicial proceedings;*
· *Management of procurement of goods, services and works;*
· *Management of consultancy services;*
· *Management of sponsorships and contributions;*
· *Management of equity investments (Italian and foreign);*
· *Selection and recruitment of personnel, including personnel belonging to protected categories or whose recruitment is facilitated, and management of the bonus system;*
· *Management of financial resources and intra-group transactions.*

2.8 Intra-group transactions

If, within the Group, the Company provides in favour of, or receives from, companies belonging to the Group,

services that may involve the sensitive activities set forth in the following Special Parts, each service must be regulated by a written contract, which must be notified to the Supervisory Body of the Company. The service contract regulates the conditions, criteria and methods of providing the service, as well as the criteria for invoicing it.

Such contracts must also include specific clauses indicating clear responsibilities regarding non-compliance with the Code of Ethics and with Lgs. D. 231/2001.

The SB of the Parent Company will also ensure that the services carried out by the companies belonging to the Group are in line with the Group's Code of Ethics and with Organisational Model 231 of the Company.

3. The Supervisory Body

3.1 Requirements of the Supervisory Body

Art. 6 letter b) of Lgs. D. 231/2001 makes the exemption from administrative liability of the entity conditional on the establishment of an internal Body with independent powers of initiative and control, which oversees the operation and compliance with the Model and ensures its updating.
From the tenor of the same regulation, as well as from the aforementioned Guidelines issued by Confindustria, it emerges that the Supervisory Body (hereinafter also referred to as "SB" or "Body") must possess such characteristics as to ensure an effective and efficient implementation of the Organisational, management and control model. In particular, such a "structure" must be necessarily characterised by:

- autonomy and independence;
- professionalism;
- continuity of action.

As for the first expression (autonomy and independence) the SB must be guaranteed hierarchical independence and its members must not be directly involved in management activities that are subject to the supervision of the Body itself. This hierarchical independence must also be guaranteed by placing the SB in a position of authority within the company organisation. Therefore, the reports of the SB will be submitted to the top management as well as to the Board of Statutory Auditors.
Moreover, the members of the SB must be identified among those who can ensure - from both an objective and a subjective point of view - full autonomy both in the carrying-out of the Body's activity and in the decisions to be taken.

As regards the requirement of professionalism, the SB must be able to perform its inspection functions in compliance with the actual application of the Model and, at the same time, have the necessary qualities to ensure the dynamics of the Model itself, through proposals for updates to be submitted to the top management of the company.

Finally, with regard to continuity of action, the SB must constantly supervise the compliance with the Model, continually monitor the efficiency and effectiveness thereof, ensure its ongoing updating and represent a constant reference for the Recipients of the Model.

As for the members of the SB, the Guidelines of Confindustria recommend different solutions, depending on the size and operations of the entity: therefore, it is considered feasible to define the structures specifically created within the body and to assign the SB's tasks to existing bodies. Likewise, and again due to the specific business carried out by the legal entity, the SB can be made up of either one or several members.
Finally, when selecting members for the SB, it is possible to entrust the said qualification to external subjects, having the specific skills required for the maximum performance of their duties.

3.2 Identifying the Supervisory Body, reasons for (in)eligibility, termination and suspension

In compliance with art. 6, paragraph 1, letter b) of the Decree, and on the basis of the above indications, Lucchini RS identifies the Supervisory Body as a body made up of one member, required to report to the Board of Directors and the Board of Statutory Auditors.
The SB is appointed by resolution of the Board of Directors; it remains in office for a period of 2 (two) years and can be re-elected at the end of the mandate.
On the occasion of the appointment, the Board of Directors determines the adequate annual financial resources available to the SB and can pay the SB a fee.
Any removal of the members of the Body must be decided by the Board of Directors of Lucchini RS and enjoined only for reasons related to serious breaches with regard to the given mandate, including violations of the confidentiality obligations indicated below, in addition to the reasons to exclude eligibility occurred below; moreover, in order to protect the autonomy and enable concrete action to the Supervisory Body, the Company established specific requirements of professionalism and integrity for the members of this body.

Ineligibility

The members of the Supervisory Body must be in possession of the requirements of integrity stated in art. 109 of Italian Legislative Decree no. 385 of 1 September 1993: in particular, those who find themselves in the situations stated in art. 2382 of the Italian Civil Code cannot be appointed as members of the Supervisory Body.

Moreover, those who have been sentenced without appeal or with a judgement issued pursuant to Articles 444 et seq. of the Italian code of criminal procedure, and even if the judgement has been suspended, without prejudice to the effects of rehabilitation:

(i) to imprisonment for a period of time that is not less than a year for any of the crimes listed in the royal decree no. 267 of 16 March 1942;

(ii) to imprisonment for a period of time that is not less than a year for any of the offences listed in the laws that govern banking, financial, security, insurance activities and in the laws on market and movable property and means of payment;

(iii) to imprisonment for a period of time that is not less than a year for a crime against public administration, public faith, property, the public economy, or for a tax-related crime;

(iv) for any non-negligent crime with a prison sentence for a period of time not less than two years;

(v) for any of the offences stated in title XI of book V of the Italian Civil Code as rephrased in Italian Legislative Decree 61/02;

(vi) for an offence that results and has resulted in the sentence of a punishment leading to disqualification, even temporary, from public offices, or temporary disqualification from the management offices of legal entities and businesses;

(vii) for one or more offences among those strictly provided for by the Decree even if minor offences compared to what is stated in the above-mentioned points;

(viii) those who have acted as members of the Supervisory Body within a company against which the penalties set out in art. 9 of the Decree are applied;

(ix) those against whom one of the prevention measures set out in art. 10, paragraph 3, of Italian law no. 575 of 31 May 1965, as replaced by art. 3 of Italian law no. 55 of 19 March 1990 as amended, have been definitely applied;

(x) those against whom the additional administrative penalties set out in art. 187 quarter of Italian Legislative Decree no. 58/1998, have been applied cannot be appointed as members of the Supervisory Body.

The runners-up as members of the Supervisory Body must make an affidavit whereby they declare that they do not find themselves in any of the situations set out in points 1 to 10 inclusive, expressly undertaking to notify of any changes in relation to the contents of these declarations.

Termination

The members of the Supervisory Body fall from their office if, after their appointment, they find themselves in the following situations:

(i) in one of the situations envisaged in art. 2399 of the Italian Civil Code;

(ii) sentenced without appeal (including any sentence given under art. 444 of the Italian code of criminal procedure) for any one of the offences set out in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility above;

(iii) in the situation in which, after his/her appointment, the member is found to have acted as member of the Supervisory Body of a company against which the penalties envisaged by art. 9 of the Decree, in relation to administrative offences committed while in office, have been applied.

Suspension

The following are causes of suspension from the function as member of the Supervisory Body:

(i) sentenced with appeal for one of the offences set out in numbers 1 to 7 of the conditions of ineligibility above;

(ii) the application, upon request of the parties, of one of the penalties set out in numbers 1 to 7 of the conditions of ineligibility above;

(iii) the application of a personal precautionary measure;

(iv) the temporary application of one of the precautionary measures set out in art. 10, paragraph 3, of Italian law no. 575 of 31 May 1965, as replaced by art. 3 of Italian law no. 55 of 19 March 1990 as amended.

3.3 Functions and powers of the SB

The SB is entrusted with the task of:

(i) checking, through the acquisition of relevant information and documents and the carrying-out of inspections, that the provisions of the Model are complied with by the recipients of the model identified in each Special Part, in relation to the different types of offences envisaged by the Decree for which there is a risk of commission in the interest or for the benefit of Lucchini RS;

(ii) preparing and implementing a monitoring programme by drawing up a timetable for its activities;

(iii) carrying out targeted checks on certain transactions or acts carried out within the Risk Areas;

(iv) reporting any established violations of the Model to the Board of Directors and the Board of Statutory Auditors;

(v) promoting the start of disciplinary procedures against those recipients who do not comply with the requirements of the Model;

(vi) checking the actual effectiveness of the Model - in relation to the company structure - to prevent the commission of the offences referred to in the Decree;

(vii) assessing the validity of the reports of violations of the Model that it receives;

(viii) keeping confidential the identity of the subjects who report possible violations of the Model or the possible commission of an offence envisaged by the Decree in the interest or for the benefit of Lucchini RS;

(ix) making sure that subjects who notify in good faith possible violations of the Model or the possible commission of an offence envisaged by the Decree are not subject to any form of retaliation, discrimination or penalisation;

(x) taking care of and promoting the constant updating of the Model, where there is a need to adapt it in relation to changed company conditions or legislative changes;

(xi) monitoring the company's activity in order to update the Risk Areas;

(xii) ensuring adequate information flows to the Board of Directors and the Board of Statutory Auditors;

(xiii) preparing an effective internal communication system for the information relevant to the implementation of the Model, which adopts methods that guarantee the confidentiality of the communicating party;

(xiv) promoting initiatives for the dissemination of knowledge and understanding of the Model at all levels of the company structure of Lucchini RS;

(xv) assessing on an annual basis the knowledge of the personnel of the provisions of the Model, through sample interviews; and

(xvi) providing clarifications on the meaning and application of the provisions contained in the Model.

In carrying out its supervisory and control activities, the SB, without the need for any prior authorisation, will have free access to all the structures and offices of Lucchini RS and the other

companies of the Lucchini RS Group and will be able to communicate with any subject operating in these structures and offices, in order to obtain any information or document that it deems relevant.
In carrying out its supervisory and control duties, the SB may avail itself, in coordination with the head of the Human Resources Department, of any internal resource of Lucchini RS that, from time to time, becomes necessary for this purpose, as well as, where necessary, of external consultants for the performance - under their own responsibility - of the activities indicated in points (i), (ii), (iii), (vi), (vii), (x), (xi), (xiii), (xiv), and (xv) of this paragraph.
Finally, for the performance of its functions, the SB is granted autonomous spending powers that require the use of an annual budget adequate to perform its functions. However, the Supervisory Body can autonomously commit resources that exceed the budget, when it is necessary to use such resources to deal with exceptional and urgent situations. In these cases, the Body must inform the Board of Directors of the Company and the Managing Director.

3.4 Reports to the SB

By means of a specific internal communication system, the SB must constantly receive the documentation and communications envisaged by the specific protocols attached to this Model and be promptly informed of the behaviour in violation of the Model or that can in any case be relevant pursuant to the Decree.
The Managerial staff and the employees of Lucchini RS are obliged to inform the SB of any derogation, violation or suspicion of violation they have become aware of with regard to:

- rules of behaviour referred to in the Code of Ethics and in this Model;
- principles of behaviour and operating methods regulated by the protocols attached to this model and by company procedures relevant to the Decree.

Employees who intend to report the commission of an offence envisaged by the Decree or the violation of the Model can, alternatively, contact their superior or the Supervisory Body.
The SB, in assessing the reports received, may request information from the reporting party and/or the person responsible for the alleged violation; the SB is required to give written reasons for its decision if, following preventive checks, it does not consider it necessary to carry out an internal investigation into the reported facts.
The SB takes appropriate measures to protect the reporting parties from any type of retaliation, discrimination, penalisation or any consequence resulting therefrom, ensuring them confidentiality on

their identity, without prejudice to law obligations and the protection of the rights of Lucchini RS or of persons accused wrongly and/or in bad faith.
The SB also establishes an internal communication channel that guarantees, if the nature of the report requires it, the confidentiality of what has been reported, so as to avoid retaliatory attitudes on the part of top management towards the whistle-blower (*whistle-blower protection*).

Anonymous reporting

Any question relating to alleged violations of the provisions of Lgs. D. 231/2001, other sources of law, the Code of Ethics and the Model must be raised directly to the SB. This concern could be raised anonymously. Non-anonymous reporting is better. Employees who wish to remain anonymous must use regular mail, or the form provided, which can be downloaded from the Company's website, or other safe mechanisms, in that other sending methods could reveal the identity of the sender. However, anonymous Whistle-blowers are encouraged to provide sufficient information related to a fact or a situation to allow for a proper investigation
The SB must also be promptly informed of any information coming from, or any measure issued by public authorities, from which it can be inferred that investigations are being carried out, even with regard to unknown persons, which could lead to an administrative liability of Lucchini RS pursuant to the Decree.
The SB must also be informed of the system of delegation adopted by Lucchini RS.

3.5 Notifications of the SB to the corporate bodies

In order to ensure full autonomy and independence in performing its functions, the Supervisory Body directly reports to the Board of Directors of the Company and to the Board of Statutory Auditors.
The SB reports on the implementation of the Model and on the emergence of any critical issues, at least every six months, to the Board of Directors and to Board of Statutory Auditors through a written report. In particular, the report must precisely describe the activity carried out during the period of reference, both in terms of controls carried out and of the results achieved and on the need to update the Model.

The SB must also prepare an annual "activity plan" for the following year, which will identify the activities to be carried out and the areas that will be monitored as well as the timing and priority of the

actions. The Supervisory Body may, however, carry out, as part of the sensitive business activities and if deemed necessary in order to perform its functions, controls not established in the plan of action (so-called “unexpected controls”).

The SB may request to be heard by the Board of Directors whenever it deems it appropriate to speak with that body; likewise, the SB is given the opportunity to request clarifications and information from the Board of Directors.

On the other hand, the Supervisory Body may be summoned at any time by the Board of Directors and by the other corporate bodies to report on special events or situations relating to the operation and compliance of the Model.

The meetings between said bodies and the SB must be set down in writing and a copy of the minutes must be kept by the SB as well as by the bodies that are involved from time to time.

3.6 Audit activities of the SB

The SB is required:

(i) to constantly check the effectiveness of the procedures envisaged in the Special Parts of this Model to prevent the commission of the offences contemplated by the Decree;

(ii) to check the main company deeds and the most important contracts signed by Lucchini RS in the carrying-on of its activities concerning the Risk Areas;

(iii) to analyse again, every six months, all the reports received during the previous six-month period and for which, at the time of their receipt, an initial analysis has already been carried out; and

(iv) to assess on an annual basis the knowledge of the personnel of the provisions of the Model, through sample interviews.

The Supervisory Body will send the Board of Directors and the Board of Statutory Auditors an annual report in which it will illustrate the activities carried out and the results of the checks made, indicate the activities to be undertaken in the following year and highlight any shortcomings in the Model adopted and the actions to be taken to remedy them.

4. Personnel training and information

4.1 Personnel training

The Model, by reason of the resulting obligations on the personnel, becomes part of the company's regulations for all contractual and legal purposes.

Personnel training in order to implement the Model is managed by the Human Resources Department in close cooperation with the SB.

The level of training is characterised by a different approach and level of detail in relation to the qualification of the persons concerned and their level of involvement in sensitive activities indicated in the Model.

In particular, Lucchini RS expects to hold courses that illustrate, according to a modular approach:

(i) the regulatory framework;

(ii) the Organisational, management and control model adopted by Lucchini RS;

(iii) the Supervisory Body and the management of the Model over the years.

The Human Resources Department, in close cooperation with the SB, will ensure that the training programme is adequate and effectively implemented. Training initiatives can take place also at a distance through the use of computer systems.

4.2 Informative report to external collaborators and partners

External collaborators and partners will be provided with specific information on the policies and procedures adopted by Lucchini RS pursuant to this Model.

4.3 Obligations of external collaborators and partners

In the contracts signed by Lucchini RS with external collaborators and partners, these subjects will be required not to behave in contrast with the lines of behaviour indicated in this Model and such as to involve the commission, in the interest or for the benefit of Lucchini RS, of an offence relevant pursuant to the Decree; such contracts must also envisage the violation of this obligation as an express termination clause pursuant to Article 1456 of the Italian Civil Code, where Italian law is applicable, or of a similar provision - where existing - pursuant to the different applicable law.

5. Disciplinary system

5.1 Functions of the disciplinary system

The application of disciplinary penalties in case of violation of the obligations envisaged by the Model is an essential condition for the efficient implementation of the Model itself.

The application of penalties is consequent to the violation of the provisions of the Model and, as such, is independent from the actual commission of an offence and from the outcome of any criminal proceedings started against the perpetrator of the censurable behaviour: the purpose of this system of penalties is, in fact, to induce persons acting in the name or on behalf of Lucchini RS to operate in compliance with the Model. The following disciplinary penalties will also be applied in the event of violation of the rules of behaviour indicated in the Code of Ethics.

If the SB, in the course of its verification and control activities, identifies a possible violation of the Model, it will give impetus to the disciplinary procedure against the perpetrator of the potential violation.

The assessment of the actual liability deriving from the violation of the Model and the Code of Ethics and the imposition of the relative penalty will take place in compliance with the law provisions in force, the rules of the applicable collective bargaining, privacy, as well as the dignity and reputation of the subjects involved.

5.2 Penalties against employees

The individual rules of behaviour envisaged by this Model constitute "provisions for the carrying-out and regulation of the work given by the entrepreneur" that, pursuant to Article 2104 of the Italian Civil Code, each employee is required to observe; therefore, the failure of the worker to comply with the Model constitutes a breach of contract, against which the employer may impose the disciplinary penalties envisaged by law and by collective bargaining.

The National Collective Labour Agreement for Metalworkers in force, which regulates the employment relationship between Lucchini RS and its employees, establishes in Article 8 - Section Four - Title VII Relationships in the company, the application of the following disciplinary measures in the event of contractual breaches:

(i) verbal warning;

(ii) written warning;

(iii) fine not higher than three hours of the hourly pay calculated according to the minimum pay-scale;

(iv) suspension from work and pay up to a maximum of three days;

(v) dismissal with notice; and

(vi) dismissal without notice.

In accordance with the provisions of Article 7 of Italian Law No. 300 of 20 May 1970 and Article 8 of the National Collective Labour Agreement for Metalworkers in force, prior to the application of a penalty, the employee will be charged in writing. The employee will have a period of 5 (five) days to present his/her defence and justification and, at his/her request, must be heard in defence.

In particular, with the exception of verbal warning, the notification of the charge must be made in writing and the disciplinary measure may not be imposed for a period of five days, during which the worker may present his/her defence and justification in writing or request to be heard in defence, with the possible assistance of a representative of the trade union association to which he/she belongs or of a member of the unitary trade union representation. The imposition of the measure must be justified and notified in writing.

The worker may challenge the measures of points (ii), (iii) and (iv) before the trade union in accordance with the provisions of the applicable national collective labour agreement on disputes. Disciplinary dismissal, with or without notice, may be challenged in accordance with applicable laws.

In accordance with the provisions of Article 7 of Italian Law No. 300 of 20 May 1970, and in compliance with the principle of classification of penalties in relation to the seriousness of the fault, it should be noted that the type and extent of each of the penalties will also be determined in relation:

- to intentionality and mitigating or aggravating circumstances of the overall behaviour;
- to the position held by the employee;
- to the concurrence in the fault of more workers in agreement with each other; and
- to the previous disciplinary measures, within the two-year period provided for by law.

The disciplinary penalties envisaged in points (i) and (ii) are imposed on employees who, even if they do not operate in Risk Areas, violate the procedures envisaged by the Model or adopt a behaviour that does not comply with the Model.

The disciplinary penalties referred to in points (iii) and (iv) are imposed on employees who, operating in Risk Areas, adopt a behaviour that does not comply with the provisions of the Model laid down for their specific area of activity.

The penalty of dismissal with notice is imposed on employees who, when carrying out their activities, behave in a manner that does not comply with the provisions of the Model and is unequivocally intended to commit an offence punished by the Decree; moreover, dismissal with notice is imposed, at the discretion of the Company, on employees who, following the application to them of two measures of suspension from work and pay, again fail to comply with the provisions laid down for the specific Risk Area in which they carry out their activities.

Dismissal without notice is imposed on employees who, when carrying out their activities, behave in a manner that does not comply with the provisions of the Model and such as to be able to determine the application to Lucchini RS of the administrative penalties deriving from the offence envisaged by the Decree.

In accordance with the provisions of the National Collective Labour Agreement for Metalworkers in force, if the conditions for dismissal without notice are met, Lucchini RS may order the non-disciplinary precautionary suspension of the worker with immediate effect for a maximum period of six days.

5.3 Penalties against managers

The compliance by the managers of Lucchini RS with the organisational provisions and procedures envisaged by the Model, as well as the fulfilment of the obligation to ensure compliance with the provisions of the Model itself, are key elements of the relationship between them and Lucchini RS.

Each manager will receive a copy of the Model and will be required to sign a declaration of express acceptance of its contents.

If a manager is found to have adopted a conduct that does not comply with the provisions of the Model, or if it is proven that a manager allowed subordinate employees to behave in violation of the Model, Lucchini RS will apply against the person responsible the penalty it deems most appropriate because of the seriousness of the manager's behaviour and on the basis of the provisions of the National Collective Labour Agreement for Industrial Managers.

Specifically:

- in the event of a serious violation of one or more provisions of the Model such as to constitute a significant breach, the manager will be dismissed with notice;

- if the violation of one or more provisions of the Model is so serious as to irreparably damage the relationship of trust, not allowing the prosecution also temporary of the employment relationship, the worker will be dismissed without notice.

These penalties will be applied in accordance with art. 7 of Italian Law no. 300 of 20 May 1970.

5.4 Penalties against Directors

If it is found that one or more directors of Lucchini RS violated the provisions and organisational procedures set out in the Model, and in particular in the event of ascertained commission of a relevant offence pursuant to the Decree from which an administrative liability of Lucchini RS may derive, the SB will immediately inform the Board of Statutory Auditors and the Chairman of the Board of Directors, who will take the initiatives they deem appropriate.

5.5 Penalties against external collaborators and partners

Any behaviour put in place by external collaborators or partners of Lucchini RS in contrast with the lines of behaviour indicated in this Model and such as to involve the commission of an offence envisaged by the Decree in the interest or for the benefit of Lucchini RS, may result, in accordance with the specific contractual clauses included in the letters of appointment or in the partnership agreements, in the termination of the contractual relationship, in addition to the claim for compensation for any damage caused to Lucchini RS.

5.6 Handling of reports

The Company punishes any unlawful behaviour attributable to Company personnel that may emerge as a result of checking the reports made pursuant to the policy on processing and regulation of reports (Whistle-blowing) in order to prevent any behaviour that violates the Code of Ethics and/or the Organisational, Management and Control Model pursuant to Lgs. D. 231/2001 and/or the Internal Control System of the Company. If the results of the investigation:

(i) show groundless reports and/or reports clearly in bad faith, these reports are the source of liability of the reporting entity in disciplinary procedures and the SB proposes any action to be taken against the employee;

(ii) show alleged unlawful or irregular behaviour on the part of one or more employees of the Company, the SB sends the results of the checks to the Human Resources Department. The SB periodically receives from the Human Resources Department the assessments made in this regard.

Lucchini RS will take adequate disciplinary measures in accordance with the provisions of the Disciplinary System, the disciplinary procedures in place and the Collective Labour Agreement or other national rules applicable to personnel who:

i) as a result of checks on reports, are responsible for the violation of internal or external regulations relevant to reports of violation of the Code of Ethics, the Organisational, Management and Control Model pursuant to Lgs. D. 231/2001 and the Internal Control System.

ii) who intentionally fail to report any violations or threats or adopt retaliation against others who report any violations.

Disciplinary measures will be proportionate to the size and seriousness of the assessed unlawful behaviour and may go as far as terminating the employment relationship.

The Chairman

Mr. Giuseppe Lucchini

SPECIAL PART A OFFENCES AGAINST PUBLIC ADMINISTRATION, AGAINST THE ADMINISTRATION OF JUSTICE

A.1 Description of offences against the Public Administration, against the Administration of Justice (art. 24 - art. 25 of the Decree)

A brief description of the offences against the Public Administration referred to in art. 24 and art. 25 of the Decree is provided below.

Embezzlement against the State or the European Union (art. 316-*bis*, Italian Penal Code)

This offence occurs when a person, after receiving funds, subsidies or contributions from the Italian State, another public body or the European Union, does not use the sums obtained for initiatives aimed at carrying out works or activities of public interest for which they were intended; the criminal behaviour consists in the misappropriation, even if only partial, of the sums obtained, without the fact that the planned activity has been carried out in any case being of any significance.

Misappropriation of funds against the State or the European Union (art. 316-*ter*, Italian Penal Code)

This offence occurs when a person - by using or submitting false statements or documents or by omitting any information due - receives undue contributions, funds, subsidised loans or other disbursement of the same type granted or disbursed by the State, other public bodies or the European Union.

This offence is residual with respect to the case of aggravated fraud against the State referred to in Article 640-*bis* of the Italian Penal Code, in the sense that it occurs only in cases where the behaviour does not amount to fraud against the State.

Extortion (art. 317, Italian Penal Code)

This offence occurs when a public officer, taking advantage of his/her capacity or of his/her powers, forces or induces someone to unlawfully give or promise money or other benefits to him/her or to a third party.

Corruption with the intent to influence an official act and corruption of a public official with the intent of omission or delay, or breach of his/her duties (Articles 318 and 319, Italian Penal Code)

The offence **of corruption with the intent to influence an official act** occurs when a Public Officer (art. 320 of the Italian penal code extends the application of the regulation also to public servants) unduly receives, or accepts the promise thereof, for himself/herself or for a third party, money or

other benefits, without there being a causal link between the service (or the benefit) provided or promised) and a single and specific measure or deed of the Public Administration.

The offence **of corruption of a public official with the intent of omission or delay, or breach of his/her duties** occurs if a public officer (or public servant pursuant to art. 320 of the Italian Penal Code) receives, or accepts the promise thereof, for himself/herself or for others, money or other benefits for omitting or delaying, or for having omitted or delayed, an official act, or for performing an act that is against official duties, resulting in an advantage for the bidder.

Corruption differs from extortion, in which the private individual is subjected to the behaviour of a public officer or public servant, due to the existence of an agreement between the corrupt person and the corrupter aimed at achieving mutual benefit.

Judicial corruption (art. 319-*ter*, Italian Penal Code)

This offence occurs when a person who is a party to a judicial proceeding corrupts a public officer (therefore, not only a judge, but also a registrar or other officials) with a view to obtaining a benefit in the proceedings.

Undue inducement to give or promise benefits (art. 319 quater, Italian Penal Code)

The offence referred to in art. 319-quater of the Italian Penal Code occurs when a public officer or public servant, taking advantage of his/her capacity or of his/her powers, induces a person to give or promise money or other benefits to him/her or to others.

Corruption of a public servant (art. 320, Italian Penal Code)

The provisions of Articles 318 and 319 apply also to a public servant. In any case, the punishments are reduced by no more than one third.

Incitement to corruption (art. 322, Italian Penal Code)

This offence occurs when, in the presence of a person who behaves in such a way as to commit a corruption, the offer or promise is not accepted by the public officer or the public servant. The third and fourth paragraphs punish the public officer or the public servant who incites an offer of money or other benefits for exercising his/her powers or performing his/her functions or for the purposes indicated in Article 319 of the Italian Penal Code.

Criteria for distinguishing among the previous offences

The offence referred to in art. 317 of the Italian Penal Code (Extortion) is characterised by the coercive abuse of a public officer, carried out by means of violence or threat of unjust damages, almost completely limiting the freedom of self-determination of the recipient, who is faced with the

alternative of suffering the harm envisaged or of avoiding it by giving or promising the undue payment. The offence referred to in art. 319-quater of the Italian Penal Code (undue inducement to give or promise benefits) is characterised by the inductive abuse of a public officer or public servant, who with persuasion, deception or moral pressure influences the will of the recipient in a more subtle manner; the latter, while having a wider margin for decision, ends up accepting the claim for undue benefit in that motivated by the prospect of gaining a personal advantage out of it.

Should it be difficult to interpret, it is necessary to refer to the criteria for assessing illegal damage and undue benefit (which distinguish the offences referred to in art. 317 and art. 319-quater, respectively, of the Italian Penal Code), using them in their operation within each case so as to be able to identify the most qualifying data of the event.

Both cases differ from corruptive offences, in that the latter assume a corruptive agreement that creates a sort of equality between the parties, which emphasises the free and informed convergence of the will of the parties involved. On the other hand, the offences pursuant to Articles 317 and 319 quater of the Italian Penal Code require a misuse and abuse of power by the civil servant, who, through coercion or induction, places the other person in a state of subjection.

Also the attempted undue inducement differs from the incitement to active corruption (art. 322, third and fourth paragraphs of the Italian Penal Code) for the same reasons, in that the first one assumes in any case that the civil servant potentially places his/her interlocutor in a state of subjection, while the second one constitutes a relationship of equality between the subjects concerned.

Punishments for the corrupter (art. 321, Italian Penal Code)

The lawmaker extended the penalties for the corrupt person also to the corrupter, thus regulating active corruption. Therefore, if out of necessity the recipient of the offer or promise must be a public official (p.o. or p.s.), the person who carries out the offer or promise can be anyone

Embezzlement of public funds, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption of members of the International Criminal Court or bodies of the European Communities and of officials of the European Communities and Foreign Countries."

The first paragraph of art. 322-*bis* of the Italian Penal Code establishes the criminal importance of embezzlement of public funds, extortion and corruption committed by (i) members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities; (ii) officials and agents employed by contract in accordance

with the charter of Staff Regulations of Officials of the European Communities or the Conditions of Employment of agents of the European Communities; (iii) persons under the control of the Member States or of any public or private body of the European Communities, who perform functions corresponding to those of the officials or agents of the European Communities; (iv) members and people in charge of entities established based on the Treaties drawn up by the European Communities; (v) those who, within other Member States of the European Union, perform functions or activities corresponding to those of public officers and public servants *and (vi)* judges, prosecutors, deputy prosecutors, officials and other agents of the International Criminal Court, persons under the control of States party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or other agents of the Court, members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court.

The second paragraph of art. 322-bis of the Italian Penal Code establishes the criminal importance, pursuant to the provisions that envisage penalties for the corrupter and instigator of corruption, of the behaviour with which money or other benefits are offered to the persons indicated in the first paragraph of that regulation or to persons who perform functions or activities corresponding to those of public officers and public servants within other foreign States or international public organisations, if the fact is committed to obtain for oneself or others an illegal benefit in international business transactions or to obtain or maintain a business or financial activity.

Abuse of office (art. 323, Italian Penal Code)

Unless the fact constitutes a more serious offence, the public officer or public servant who, in the performance of his/her duties or service, in violation of laws or regulations, or by failing to abstain in the presence of his/her own interest or that of a close relative or in the other prescribed cases, intentionally obtains for himself/herself or others an unfair financial benefit or causes unfair damage to others, is punished from one to four years of imprisonment. The penalty is increased in cases where the benefit or damage is of a very serious nature.

Influence peddling (art. 343, Italian Penal Code)

Whoever, except for the cases of complicity in the offences referred to in art. 319 and art. 319-ter, takes advantage of existing relations with a public officer or with a public servant, unduly causes himself/herself or others to give or promise money or another financial benefit as the price of his/her own unlawful mediation towards the public officer or public servant or to remunerate him/her, in relation to the carrying out of an act against official duties or to the omission or delay of an official act,

is punished from one to three years of imprisonment. The same penalty applies to those who unduly give or promise money or other financial benefit.

The penalty is increased if the person who unduly causes himself/herself or others to give or promise money or another financial benefit is a public officer or public servant. Penalties are also increased if the acts are committed in relation to the exercise of legal actions. If the facts are not particularly serious, the penalty is reduced.

Fraud against the State or other public body (art. 640, paragraph 2, no. 1, Italian Penal Code)

This offence occurs when, in order to make an unfair profit, devices and tricks are carried out such as to mislead and cause damage to the State, another public body or the European Communities.

By way of example, this offence may be committed when, in preparing documents or data for participating in tenders, the Public Administration is provided with false information in order to be awarded the tender.

Aggravated fraud to obtain public funds (art. 640-*bis*, Italian Penal Code)

This offence occurs when the above mentioned devices or tricks are used to obtain contributions, funds, subsidised loans or other disbursements of the same type, however called, granted or disbursed by the State, public bodies or the European Community.

Computer fraud (art. 640-*ter*, Italian Penal Code)

This offence occurs when, by falsifying the operation of a computer or telematic system or by manipulating the data, information or programmes contained therein or in any case relevant, an unfair profit is obtained causing damage to third parties. With specific reference to Lucchini RS, this offence may, for example, occur if, once the right to a subsidised loan from the State or another public body has been obtained, Lucchini RS violates the computer system of the financing body and enters a higher value of the loan than it is entitled to.

IT documents (art. 491-bis, Italian Penal Code)

Article 491-*bis* punishes the forgeries envisaged by Chapter III of the Italian Penal Code concerning a public or private electronic document with probatory efficacy (the names "public documents" and "private agreements" include the original deeds and certified copies of them, when, in accordance with the law, they take the place of the missing originals). The forgeries committed by public officers also apply to employees of the State, or of another public body, entrusted with a public service in relation to the documents they draw up in the exercise of their duties.

Computer or telematic hacking (art. 615-ter, Italian Penal Code)

This offence occurs when someone accesses without authorisation a computer or telecommunication system protected by security measures or remains there against the explicit or tacit will of whoever has the right to exclude him/her.

Unauthorised possession and dissemination of access codes to IT or telematic systems (art. 615-quater, Italian Penal Code)

Article 615-quater punishes anyone who, in view of obtaining a profit for himself/herself or for others or causing damage to others, obtains, reproduces, disseminates, communicates or delivers without authorisation codes, passwords or other appropriate means to access an IT or telecommunication system protected by security measures, or otherwise provides indications or instructions in this sense.

Dissemination of equipment, devices or software intended to damage or disrupt an IT or telematic system (art. 615-quinquies, Italian Penal Code)

The offence occurs when someone, in order to unlawfully damage an IT or telecommunication system, information, data or programmes contained in it or pertaining to it or to facilitate the total or partial disruption, or alteration of its operation, obtains, produces, reproduces, imports, disseminates, communicates, delivers or in any case makes available to others equipment, devices or computer programmes.

Illegal tapping, impediment or disruption of IT communications or telecommunications (art. 617-quater, Italian Penal Code)

This offence occurs when someone fraudulently intercepts communications relating to a computer or telematic system or between several systems, or prevents or interrupts them. Unless the fact constitutes a more serious offence, the same punishment applies to anyone who reveals, through any means of information to the public, in whole or in part, the contents of the aforementioned communications.

Installation of equipment designed to tap, prevent or disrupt IT communications or telecommunications (art. 617-quinquies, Italian Penal Code)

Article 617-*quinquies* punishes anyone who, outside of the cases allowed by law, installs equipment designed to tap, prevent or disrupt communications concerning an IT or telematic system, or across multiple systems.

Damage to information, data and computer programmes (art. 635-bis, Italian Penal Code)

Unless the fact constitutes a more serious offence, Article 635-*bis* punishes anyone who destroys, damages, deletes, alters or removes information, data or computer programmes of others.

Damage to information, data and computer programmes used by the State or other public body, or however of public interest (art. 635-ter, Italian Penal Code)

Unless the fact constitutes a more serious offence, art. 635-ter punishes anyone who commits a fact aimed at destroying, damaging, deleting, altering or removing information, data or computer programmes used by the State or other public body or pertaining thereto, or however of public interest.

Damage to IT or telematic systems (art. 635-quater, Italian Penal Code)

Unless the fact constitutes a more serious offence, Article 635-quater punishes anyone who, through the behaviour referred to in art. 635-*bis*, i.e. through the introduction or transmission of data, information or programmes, destroys, damages, makes computer or electronic systems of others totally or partially unserviceable or seriously hampers their operation.

Damage to IT or telematic systems of public interest (art. 635 quinquies, Italian Penal Code)

The offence of art. 635-quater is intended to destroy, damage, make IT or telematic systems of public interest totally or partially unserviceable or seriously hamper their operation.

The offence also occurs if the fact results in the destruction or damage of the computer or electronic system of public interest or if this is made totally or partially unserviceable.

Computer fraud of the subject providing electronic signature certification services (art. 640-quinquies, Italian Penal Code)

Article 640-*quinquies* punishes the subject providing electronic signature certification services, who, in order to obtain an unfair profit for himself/herself or for others or cause damage to others, violates the obligations established by law for issuing a qualified certificate.

Incitement not to make statements or to make false statements in court (art. 377 – bis, Italian Penal Code)

This offence occurs when someone incites (with violence or threat, or with offer or promise of money or other benefit) the person required to make before the court statements that can be used in criminal proceedings, not to make statements or to make false statements in court, when this person has the right to remain silent.

The incitement not to make statements or to make false statements (i.e. to use the right to remain silent or to make false statements) must be committed in a typical way (or violence or threat, or with offer or promise of money or other benefit).

The offended person is necessarily a person to whom the law gives the right to remain silent: the suspect (or the offender), the suspect (or the offender) of related offence (provided that they have not already taken up the office of witness as well as the restricted category of witnesses (close kin), to whom Article 199 of the Italian code of criminal procedure confers the right to abstain from testifying.

It is not easy to imagine a case that could determine the liability of the entity, but it is conceivable the case of an accused or suspected employee who is incited to make false statements (or refrain from making them) to avoid a greater involvement of liability for damages of the entity related to the criminal proceedings in which the employee is involved.

Aiding and abetting (art. 378, Italian Penal Code)

The offence occurs when a subject, after the commission of a crime for which the law establishes life imprisonment or imprisonment, and outside the cases of complicity with the same, helps someone to circumvent the authority's investigations, including those carried out by bodies of the International Criminal Court, or to evade the authority's searches.

Criminal conspiracy (art. 416, Italian Penal Code)

The prohibited fact also consists in simply participating in a criminal conspiracy (i.e. a group of at least three persons who get together with the aim of committing crimes): any contribution to the association with the awareness of the associations constitutes the offence of participation, since it is not necessary for the target crimes to be carried out. It should be noted that among the forms of manifestation of the relevant contribution to the association, any form of aid is sufficient, for example the facilitation of obtaining the availability of real estate for any reason.

Association with the Mafia including at international level (art. 416-bis, Italian Penal Code)

The most serious offence of association envisaged by Article 416-*bis* of the Italian Penal Code differs from the previous one mainly in the type of criminal association, defined by the third paragraph of the same Article 416-*bis*. With regard to the minimum form of commission of the offence (i.e. simple participation), the indications set out in Article 416 apply.

Electoral exchanges between politicians and the mafia (art. 416-ter, Italian Penal Code)

Whoever accepts the promise to obtain votes in the manner referred to in the third paragraph of Article 416-bis in exchange for the disbursement or promise of disbursement of money or other

benefits is punished from four to ten years of imprisonment. The same penalty applies to those who promise to obtain votes in the manner referred to in the first paragraph.

Kidnapping for extortion purposes (art. 630, Italian Penal Code)

Article 630 of the Italian Penal Code punishes anyone who kidnaps a person in order to obtain, for himself/herself or for others, an unfair profit as the price of his/her release.

Criminal conspiracy engaged in illicit traffic in narcotic drugs or psychotropic substances, (art. 74 Italian Presidential Decree no. 309 of 9 October 1990 - Consolidated Act narcotics)

This offence occurs when three or more persons get together in order to commit several crimes relating to the cultivation, production, manufacture, extraction, refining, sale, offer or offering for sale, transfer, distribution, marketing, transport, or obtain for others, send, pass or send in transit, deliver for any purpose narcotic or psychotropic substances.

Whoever imports, exports, purchases, receives for any reason or, in any case, unlawfully holds is also punished. Article 74 of Italian Presidential Decree no. 309 of 9 October 1990, also punishes anyone who, having obtained authorisation, unlawfully sells, places on the market or obtains that others market the substances.

Crimes of illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in public places or open to the public of weapons of war or warlike weapons or parts thereof, explosives, illegal weapons as well as the most common gunpowder weapons, excluding those envisaged by Article 2, paragraph 3, of Italian Law no. 110 of 18 April 1975 (art. 407, paragraph 2, let. a), number 5) of the Italian Code of criminal procedure).

This offence occurs in case of illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in public places or open to the public of weapons of war or warlike weapons or parts thereof, explosives, illegal weapons as well as the most common gunpowder weapons, excluding those called "indoor range guns", or gas emission guns, as well as compressed air or gas weapons and rocket launchers, except in the case of weapons intended for fishing or weapons and instruments for which the "Central advisory committee on arms control" excludes, in relation to their characteristics, the ability to cause offence to the person.

Criminal conspiracy for smuggling foreign tobaccos (art. 291-quater - Italian Presidential Decree 43/1973).

Paragraph 5 of art. 291 *quater* envisages the possibility of benefiting from punishments decreased from one third to one half if the accused person, *"withdrawing from the others"*, does his/her best to prevent the criminal activity be brought to further consequences also by concretely helping the police or the judicial authorities in the collection of decisive elements for the reconstruction of the facts and the identification or arrest of the perpetrators of the offence or for the identification of resources relevant to the commission of the crimes.

A.2 Rules of behaviour

The following rules of behaviour must be complied with by the Recipients of the Model and by the partners of which Lucchini RS avails itself for carrying out the activities relating to the Risk Areas described in this Model.

When carrying out all the operations relating to the management of relations with the Public Administration, the aforesaid subjects must comply with the rules and principles contained in the following documents:

(i) the Code of Ethics;

(ii) the operating procedures and practices used by Lucchini RS; and

(iii) any other documents relating to the internal control system of Lucchini RS.

In order to prevent the commission, in the interest or for the benefit of Lucchini RS, of offences against the Public Administration, and with reference to the management of relations with officers of the Public Administration and with similar subjects, the Recipients of the Model must ensure:

(i) that they occur in full compliance with laws, regulations in force, principles of loyalty and fairness, at any stage of the relationship management;

(ii) the participation, in case of inspections, of at least two company resources, by recording the meetings and telephone contacts, their contents and participants;

(iii) the truthfulness of the data reported in the technical and economic documents forwarded to the public administrations;

(iv) the traceability, in case of participation in tenders called by customers of the public sector, of any association agreements with partners; in particular, they must always be defined in writing, specifying all the terms of the agreement and paying attention to the economic terms agreed for joint participation in the tender.

It is also forbidden to:

(i) make promises or unlawful money donations or other benefits of any kind to civil servants or public servants or to persons indicated by them, in order to guide the decisions of the Public Administration in their favour;

(ii) give in to recommendations or pressure from civil servants or public servants;

(iii) present false statements by showing false or forged documents or deeds, or removing or omitting the production of documents, and behave deceivingly to induce members of the Public Administration to make an error in the assessment of the documents submitted to request authorisations, licences, contracts and participation in tenders called by customers belonging to the public sector.

With reference to obtaining and managing public funds, the Recipients of the Model must ensure that:

(i) the statements made to national or Community public bodies in order to obtain disbursements, contributions or loans, contain only absolutely true elements and, should they be obtained, a special report must be issued;

(ii) those who control and supervise the fulfilment of the obligations related to the performance of the aforesaid activities must pay special attention to the implementation of the Model and immediately report any irregular situation to the SB.

It is forbidden to:

(i) present false statements or statements without the information due, also via computer, to national or Community public bodies in order to obtain public funds, contributions or subsidised loans and to carry out any act that may mislead the public body in granting funds or making payments of any kind;

(ii) allocate amounts received from national or Community public bodies by way of funds, contributions or loans for purposes other than those for which they were allocated.

With reference to the management of gifts, presents and sponsorships, it is allowed to grant benefits and presents to customers, suppliers or others, both directly and indirectly, including gifts, acts of kindness and hospitality provided that:

(i) the value, nature and purpose of the gift are considered legal and ethically correct such as not to compromise the Company's image, such as not to be interpreted as a means to obtain a

preferential treatment for the Company and in any case influence the independent judgement of the official or induce him/her to secure any kind of benefit to the Company;

(ii) the allowed gifts are in any case characterised by their limited value and because they are aimed at promoting artistic initiatives or the brand image of Lucchini RS; the gifts offered must be properly documented in order to enable the required inspections;

(iii) they have been duly authorised and documented in an appropriate manner;

(iv) any critical problem is reported immediately to one's own Manager and to the Supervisory Body.

As part of personnel selection, the Recipients of the Model must ensure:

(i) compliance with the criteria of merit and ability, in relation to the real requirements of the Company and avoiding favouritism and subsidies;

(ii) selection activities are carried out based on the technical and aptitude ability;

(iii) the documentation attesting to the correct performance of the selection and recruitment procedures is complete and properly stored;

(iv) the definition of the economic conditions is consistent with the position held by the applicant and the responsibilities/duties assigned to him/her;

(v) within the Company, working conditions respect individual dignity, equal opportunities and a proper working environment.

It is explicitly forbidden to:

(i) operate according to the logic of favouritism;

(ii) promise or grant promises of recruitment to resources "close" to or "appreciated" by civil servants;

(iii) recruit or promise to recruit employees of the Public Administration (or their relatives, friends, etc.) who participated personally and actively in a business negotiation or who participated, also individually, to authorisation processes of the Public Administration or inspections with regard to the Lucchini RS.

(iv) employ foreign workers without a residence permit or with a revoked or expired permit for which no request for renewal has been submitted, documented by the relevant postal receipt.

As part of the procurement process for goods and services, it must be envisaged that:

(i) the tasks assigned to external collaborators must be drawn up in writing, with an indication of the agreed remuneration;

(ii) the choice of any contractor must be made (i) through clear, certain and non-discriminatory procedures, (ii) from a list of potential suppliers, ensuring the best quality/convenience ratio, (iii) leaving a trace of the reason for the choice itself;

(iii) no relationship is started with persons or entities who do not intend to comply with the ethical principles of the Company;

(iv) all consultants and suppliers must be required to strictly observe the laws and regulations applicable in Italy, as well as the principles and procedures set out in the Code of Ethics and, where deemed appropriate, in the Model, by adding specific clauses to their contracts;

(v) any subcontracting of tasks by the supplier may take place only in the presence of an explicit consent from Lucchini RS dependent on the assessment of the moral and professional requirements of the potential supplier/consultant;

(vi) the actual performance of the service subject-matter of the contractual relationship and any state of progress is checked by means of a specific written declaration issued by the personnel in charge on the basis of the actual verification, if necessary accompanied by the declaration issued by the supplier/consultant;

(vii) the control activities envisaged by business procedures are carried out systematically, both in the selection of the supplier and in the subsequent management of the contract;

(viii) all documentation produced as part of the procurement process of goods, services and professional assignments is correctly stored and, in particular, that certifying: (i) the reasons of the choice made when selecting the supplier (ii) the actual performance of the service subject-matter of the contractual relationship and any state of progress;

(ix) the fees are paid in a transparent manner, always verifiable and can be reconstructed ex post.

It is explicitly forbidden to:

(i) assign supply tasks to persons or companies close or appreciated by public entities in order to obtain a preferential treatment or benefits for the Company, and in any case in the absence of the necessary quality and convenience requirements of the purchase;

(ii) make payments to suppliers, consultants, professionals and the like working on behalf of the Company, which are not adequately justified in the context of the contractual relationship established with them and the services provided;

(iii) recognise reimbursement of expenses in favour of suppliers, consultants, professionals and the like that are not adequately justified in relation to the type of task carried out;

(iv) create funds in connection with acquisitions of supplies and/or professional services totally or partially non-existent;

(v) be represented by consultants or by third parties in case of conflicts of interests.

In the management of monetary and financial flows and reimbursement of expenses, the following must be ensured:

(i) the access to Lucchini RS's financial resources must be reserved only for those who have been granted specific power of attorney/proxy and their use must always be duly authorised;

(ii) manage the banking flows by means of a computer system of structured user profiles;

(iii) authorise in advance, by persons with appropriate powers, travelling allowance and entertainment expenses and subject all requests for reimbursement and related supporting documents to completeness, relevance and suitability checks, keeping track of the various phases of the process and systematically storing the documentation;

(iv) ascertain the identity of the commercial counterparties (in particular, suppliers of goods and services), whether natural persons or legal entities, and of the subjects on whose behalf they may act.

Moreover, it is not allowed to:

(i) make payments in cash or in kind;

(ii) make payments not properly documented;

(iii) create funds in connection with unjustified payments (totally or partially);

(iv) promise, offer or pay money, also by means of third parties, to officials of the Public Administration personally, with a view to promoting or favouring the interests of the Company or of Subsidiaries, also as a result of unlawful pressures;

(v) carry out payments or recognise fees in favour of third parties working on behalf of the Company, which are not adequately justified in the context of the contractual relationship established with them;

(vi) recognise reimbursement of travelling allowance and entertainment expenses that are not adequately justified in relation to the type of task carried out;

(vii) support entertainment expenses with the intent to promote or favour personal interests also as a result of unlawful pressures;

(viii) make transfers of bearer bank or post office savings books or bearer securities in Euro and in foreign currency, when the value of the transaction, also parcelled, totals or is greater than Euro 1,000.00;

(ix) make requests for the issue and use of forms for bank and postal negotiable cheques, instead of those with a non-transferability clause;

(x) make money transfers in respect of which there is not full agreement between the payees/payers and the counterparties actually involved in the transactions;

(xi) open, in any form, accounts or savings account books anonymously or with fictitious name and use those, if any, opened in foreign countries;

(xii) carry out international credit transfers without the indication of the counterparty;

(xiii) make transfers in cash to countries other than the country of origin of the order.

A.3 Specific protocols

In addition to what is already regulated by the existing system of procedures, Annex A of this Model contains the specific protocols for the prevention of offences against the Public Administration.

SPECIAL PART B CORPORATE OFFENCES

B.1 Description of corporate offences (art. 25-*ter* of the Decree)

A brief description of the corporate offences referred to in art. 25-*ter* of the Decree is provided below, grouping them into four different types for the sake of clarity.

B.1.1 Fraudulent communications and reports

(i) Fraudulent corporate communications (art. 2621 and art. 2622 of the Italian Civil Code)

These are two types of offences that occur (a) through the conscious presentation, in the financial statements, reports or other corporate communications required by law and addressed to shareholders or the public, of material facts that are not true, or (b) through the omission in the same documents of relevant material facts, the disclosure of which is required by law, concerning the economic or financial situation of the Company or the group to which it

belongs; the (commissive or omissive) behaviour described above must be carried out in both cases in a manner that is **concretely** suitable for misleading the shareholders or the public and must also be concretely suitable for misleading the recipients of the indicated corporate communications, being ultimately aimed at obtaining an unfair profit for the benefit of the perpetrator of the offence or third parties.

The two types of offences are characterised by the occurrence of the offence in listed companies (art. 2622 of the Italian Civil Code) or in unlisted companies (art. 2621 of the Italian Civil Code).

Specifically:

(a) the relevant material facts, whether false or omitted, must be such as to significantly alter the representation of the economic or financial situation of the Company or of the group to which it belongs;

(b) the criminal liability also exists in the event that the relevant material facts omitted or subject matter of fraudulent communication concern assets owned or managed by the Company on behalf of third parties; and

(c) the offence referred to in Article 2621 of the Italian Civil Code is automatically liable to punishment.

The active subjects of the offence are the directors, general managers, managers in charge of preparing the company's accounting documents, auditors and liquidators.

Minor offences (art. 2621-bis of the Italian Civil Code)

Unless they constitute a more serious offence, the punishment of six months to three years' imprisonment applies if the facts referred to in Article 2621 are of a minor nature, taking into account the nature and size of the company and the manner or effects of the behaviour.

Unless they constitute a more serious offence, the same punishment referred to in the previous paragraph is applied when the facts referred to in Article 2621 concern companies that do not exceed the limits indicated in the second paragraph of Article 1 of Royal Decree 267 of 16 March 1942. In this case, the crime is prosecutable subject to an action at law filed by the company, the shareholders, the creditors or the other recipients of the corporate communication.

(ii) Forgery of reports or communications of the auditing company (art. 27, Italian Legislative Decree 39/2010)

This offence consists in false statements or concealment of information in reports or other communications by the auditing company concerning the economic or financial situation of the audited Company, in such a way as to mislead the recipients of such communications. In this regard, note that:

(a) for the offence to be constituted *pursuant* to Article 27 of Italian Legislative Decree 39/2010, there must be an awareness of the forgery and the intention to deceive the recipients of the communications;

(b) the behaviour must aim at obtaining an unfair profit for oneself of for others; and

(c) the offence in question is configured as a crime or fine depending on whether or not the forgeries caused economic damages to the recipients of the communications.

The active subjects of the offence are the managers in charge of the auditing company, but also the members of the administrative and control bodies of Lucchini RS and its employees can be involved by way of complicity in the offence: in fact, pursuant to art. 110 of the Italian Penal Code, the possible complicity of the directors, auditors or other subjects of the audited company who have determined or instigated the unlawful behaviour of the manager in charge of the auditing company can be assumed.

(iii) Market rigging (art. 2637 of the Italian Civil Code)

This offence occurs when false information is disseminated or simulated transactions or other devices specifically suitable to cause a considerable change in the price of unlisted financial instruments or for which no request was submitted for admission to trading on a regulated market are shown.

(v) Fraudulent prospectus (art. 173 -bis, Italian Legislative Decree 58/1998)

The offence occurs whenever anyone, in the prospectuses required for investment incentive or admission to listing on regulated markets, or in the documents to be published on the occasion of takeover bids or share exchange offers, shows false or hidden information. Again, the offence is committed if the purpose is to obtain an unfair profit and if the behaviour is likely to mislead the recipients of the prospectus.

B.1.2 Criminal-law protection of the proper operation of the Company

(i) Obstructed control (art. 2625, Italian Civil Code)

This offence consists in preventing or hampering, by hiding documents or other appropriate devices, the control and auditing activities assigned by law to the shareholders, to other corporate bodies, to the auditing companies, if such conduct has caused damage to the shareholders; this offence can only be committed by the directors.

(ii) Unlawful influence on the general shareholders' meeting (art. 2636, Italian Civil Code)

This offence consists in determining the majority in the shareholders' meeting with simulated or fraudulent acts in order to obtain an unfair profit for oneself or others.

(iii) Failure to disclose a conflict of interest (art. 2629-bis)

The offence occurs following the failure to disclose the conflict of interest in violation of the obligations envisaged in art. 2391, paragraph 1, of the Italian Civil Code. The Directors are active subjects of the offence. The director must inform the other directors and the board of statutory auditors of any interest it has, on his/her own behalf or on behalf of third parties, in a certain operation of the company, specifying its nature, terms, origin and extent; if he/she is a managing director, he/she must also refrain from carrying out the transaction entrusting it to the board.

B.1.3 Criminal-law protection of share capital

(i) Undue return of contributions (art. 2626, Italian Civil Code)

This offence occurs when, beyond the cases of reduction of share capital envisaged by law, contributions are returned, even if simulated, to shareholders or they are exempted from the obligation to carry them out. This offence can only be committed by the directors of the Company: however, a criminal liability of the shareholders can exist by way of complicity in the offence, according to the general rules of concurrence referred to in Article 110 of the Italian Penal Code, if they have carried out an activity of incitement or determination of the unlawful behaviour of the directors.

(ii) Unlawful distribution of profits and reserves (art. 2627, Italian Civil Code)

This offence consists in the distribution of profits, or advances on profits, not actually gained or allocated by law to reserve, or in the distribution of reserves that by law cannot be distributed. Note also that the return of profits or the replenishment of reserves before the date of approval of the financial statements extinguishes the offence.

The offence referred to in art. 2627 of the Italian Civil Code also constitutes an offence committed by directors, for which the same considerations made in point (i) above apply for the offence of undue return of contributions in relation to the possible complicity of shareholders.

(iii) Illicit operations on corporate quotas (or shares) or on quotas (or shares) of the parent company (art. 2628, Italian Civil Code).

This offence consists in purchasing or subscribing to shares issued by the company (or by the parent company), outside of the cases allowed by law, which causes damage to the wholeness of the share capital or the reserves not distributable by law.

The offence is extinguished if the share capital or reserves are replenished before the date of approval of the financial statements for the year in which the offence was committed.

The Directors are active subjects of the offence; the directors of the parent company and those of the subsidiary may be held liable by way of complicity, if the unlawful operations on the shares of the parent company are carried out by the latter upon incitement of the former.

(iv) Transactions to the detriment of creditors (art. 2629, Italian Civil Code)

This offence consists in carrying out, in violation of law provisions protecting creditors, reductions in the share capital or mergers with other companies or demergers, such as to cause damage to creditors. Compensation of damages to creditors prior to the judgement is a cause for extinction of the offence. The directors are active subjects of the offence also in this case.

(v) Fictitious capital formation (art. 2632, Italian Civil Code)

The following behaviour constitutes the offence: (a) fictitious formation or increase of the share capital by allocating shares for an amount lower than their nominal value; (b) mutual subscription of shares; and (c) overvaluation of non-cash contributions, receivables or equity of the company in the event of transformation.

The directors and contributing shareholders are active subjects of the offence.

(vi) Undue allocation of company assets by liquidators (art. 2633, Italian Civil Code)

This offence consists in the distribution of company assets among the shareholders before paying the company creditors or before setting apart amounts required to satisfy them, which damages the creditors; the compensation for damages to the creditors before the judgement extinguishes the offence; the liquidators are the only active subjects of the offence.

B.1.4 Criminal-law protection of supervisory functions

Obstacle to the performance of the functions of Public Supervisory Authorities (art. 2638, Italian Civil Code)

These are two offences distinguished by ways of behaviour and offensive moment: the first offence occurs (a) by showing in the notifications to the public supervisory authorities envisaged by law (in order to obstruct the performance of their functions) of false material facts, even if subject to assessment, on the economic or financial situation of the supervised subjects, or (b) or by concealing totally or partially with other fraudulent means, facts that should have been notified, concerning the same economic or financial situation; the second offence occurs by simply obstructing the performance of the supervisory functions carried out by Public Authorities, consciously and in any form, even by omitting the communications due to the Authorities. Directors, general managers, auditors and liquidators are active subjects of both offences described above.

B.1.5. Criminal-law protection of offences of corruption in the private sector and incitement to corruption in the private sector

Corruption in the private sector (art. 2635, Italian Civil Code)

L. 190/2012 replaced the old art. 2635 of the Italian Civil Code, under the heading *"Unfaithfulness as a result of the offer or promise of benefit"*, by introducing, as part of the predicate offences referred to in the Decree, the offence of corruption in the private sector.

The offence of corruption in the private sector is an offence requiring complicity with two different types of behaviour. The first one is known as "*passive corruption*", and consists in the performance or omission of acts, in violation of the obligations concerning one's office or loyalty obligations, causing damage to the company by the subject who has received an offer or promise of money or other benefits for oneself or for others. This type is not relevant for the purposes of the application of the Decree because the benefit or interest of the Company is lacking. The only type of behaviour relevant for the purposes of claiming the Company's liability under the Decree is that referred to in the third paragraph of art. 2635 of the Italian Civil Code, which takes the form of giving or promising money or other benefits to the representatives of the Company expressly identified in the first paragraph (known as "*active corruption*").

Always in objective terms, the sentence "*as a result of an offer or promise of money or other benefit*" set forth in the first paragraph of art. 2635 of the Italian Civil Code implies that the behaviour of active corruption must necessarily precede the behaviour of passive corruption. Therefore, corruption in the private sector would not be criminally relevant under art. 2635 of the Italian Civil Code. For the purposes of constituting the offence of corruption in the private sector, it is not necessary for the promise made to the corrupt person to be fulfilled, nor is it necessary that it actually benefits from the corruption, since it is sufficient that, on the basis of the proposed benefit, the latter, in violation of the obligations concerning one's office or loyalty obligations, acts and causes damage to the company. The crime is committed when the damage occurs for the company to which the corrupt person refers (in this sense, the damage takes up the old wording of the offence of unfaithfulness as a result of the offer or promise of benefit). This concept is very broad and cannot be limited to economic damages. It should be noted that if "*the fact results in a distortion of competition in the acquisition of goods or services*", the offence of corruption in the private sector is automatically punishable by law, thus giving greater importance to the interest in fair competition and development. This specific offence is obviously of interest to the Company in view of its commercial operations.

Italian Legislative Decree 38/2017, implementing the Framework Decision 2003/568/GAI of the Council of the European Union, extended the scope of art. 2635 of the Italian Civil Code and added art. 2635-bis.

The amended art. 2635 envisages, first of all, the liability to punishment of the top management of the company and also of private entities, i.e. directors, general managers, managers in charge of preparing the company's accounting documents, auditors and liquidators, but also those who, within the organisational framework of the company or private entity, perform management functions different from those of such subjects. Moreover, the amended art. 2635 of the Italian Civil Code expressly envisages among the ways of behaviour, both in the active and passive case, its commission through a third party; specifies that money or other benefits are not due; removes the reference to the need for the behaviour to cause harm to the company and envisages that the confiscation by way of equivalent measure also includes the benefits offered, and not only dates or promises

Incitement to corruption in the private sector (art. 2365-bis, Italian Civil Code)

Art. 4 of Italian Legislative Decree 38/2017 introduced art. 2635 bis of the Italian Civil Code, which punishes incitement to corruption in the private sector, i.e. the punishment of anyone who offers or promises money or other benefits to the same categories of persons indicated in art. 2365 who operate in private companies or entities, so that they **perform or omit an act in violation of the obligations concerning their office** or loyalty obligations.

B.2 Rules of behaviour

The following rules of behaviour must be complied with by the Recipients of the Model and by the partners of which Lucchini RS avails itself for carrying out the activities relating to these Risk Areas.

When carrying out all the operations relating to corporate management, in addition to the rules set out in this Model and its annexes, the aforesaid subjects must comply with the rules and principles contained in the following documents:

(i) the Code of Ethics;

(ii) the operating instructions for the preparation of the financial statements (notes on the accounting principles of reference), the half-yearly and quarterly reports

(iii) the accounting and financial procedures used by Lucchini RS; and

(iv) any other documents relating to the internal control system of Lucchini RS;

(v) sales procedures, issuing of orders, selection of suppliers, management of contracts used by Lucchini RS.

<u>Rules of behaviour for corporate offences referred to in letter B.1.1 of the Model</u>

All persons who are in a position to commit, in the interest or for the benefit of Lucchini RS, the corporate offences referred to in letter B.1.1 of this Model must behave, in carrying out the activities aimed at preparing the financial statements, the periodic accounting statements and the other corporate communications, correctly, transparently and in full compliance with laws and regulations, as well as internal business procedures, in order to provide shareholders, investors and the general public with true and complete information on the economic and financial situation of Lucchini RS and the Lucchini RS Group as a whole and on the development of its activities, as well as on any financial instruments issued by Lucchini RS and on the related rights.

In this regard, it is expressly forbidden for all the above-mentioned subjects to:

(i) prepare or communicate false, incomplete data or, however, capable of providing a wrong description of the financial and economic situation of Lucchini RS and of the Lucchini RS Group as a whole;

(ii) omit to communicate data and information required by the regulations and procedures in force concerning the economic and financial situation of Lucchini RS and the Lucchini Group as a whole;

(iii) present the data and information used in such a way as to provide a wrong and untrue representation of the economic and financial situation of Lucchini RS and the Lucchini RS Group as a whole and on the development of its activities, as well as on any financial instruments issued by Lucchini RS and on the related rights.

Rules of behaviour for corporate offences referred to in letter B.1.2 of the Model

All those who are in a position to commit, in the interest or for the benefit of Lucchini RS, the corporate offences referred to in letter B.1.2 of this Model must ensure the proper operation of Lucchini RS and the corporate bodies, guaranteeing and facilitating all forms of internal control over the corporate management envisaged by law, as well as the free and correct forming of the will of the shareholders' meeting and must keep track of all the documentation required and delivered to the control bodies as well as that used during the shareholders' meetings.

These subjects are not allowed to:

(i) behave in such a way as to materially prevent or obstruct, through the concealment of documents or the use of other fraudulent means, the carrying out of the control or auditing activities of the company's management by the Board of Statutory Auditors or auditing company;

(ii) carry out, on the occasion of the shareholders' meetings, simulated or fraudulent acts aimed at falsifying the regular procedure for forming the meeting's will.

Rules of behaviour for corporate offences referred to in letter B.1.3 of the Model

All those who are in a position to commit, in the interest or for the benefit of Lucchini RS, the corporate offences referred to in letter B.1.3 of this Model must strictly observe all the rules laid down by law to protect the integrity and effectiveness of the share capital and act always in compliance with internal business procedures, in order not to undermine the guarantees of creditors and third parties, in general.

In this regard, it is expressly forbidden for all the above-mentioned subjects to:

(i) return the contributions to the shareholders or exempt them from the obligation of making contributions, except for the cases of lawful reduction of share capital;

(ii) distribute profits or advances on profits not actually achieved or allocated by law to reserve, as well distribute reserves that cannot be distributed;

(iii) purchase or subscribe shares of Lucchini RS or any Parent company outside of the cases provided by law, by undermining the integrity of the share capital or reserves non distributable by law;

(iv) reduce the share capital, carry out mergers or demergers in violation of the legal provisions to protect creditors;

(v) fictitiously form or increase the share capital; and

(vi) distribute company assets among the shareholders, during the liquidation phase, before paying the company creditors or setting aside the amounts required to satisfy them.

Rules of behaviour for the offence referred to in letter B.1.4 of the Model

All those who are in a position to commit, in the interest or for the benefit of Lucchini RS, the offence of obstacle to the performance of the functions of Public Supervisory Authorities referred to in Article 2638 of the Italian Civil Code, are required to make all the communications envisaged by law and regulations to the public supervisory authorities promptly, correctly and completely, without obstructing the performance of the functions performed by them; in particular, they are prohibited from:

(i) making without due clarity, completeness and timeliness, vis-à-vis the public supervisory authorities (a) all communications, regular or otherwise, envisaged by law and further regulations in this field, as well as (b) the transmission of data and documents, envisaged by the regulations in force and/or specifically required by the aforesaid Authorities;

(ii) showing in these communications and in the sent documents untrue facts or concealing facts concerning the economic and financial situation of Lucchini RS and the Lucchini RS Group as a whole; and

(iii) behaving in such a way as to be an obstacle to the performance of the functions of public supervisory authorities, including during inspections, such as, by way of example, express

opposition, specious refusals, obstructive behaviour or non-collaboration, delays in communications or in making documents available.

Rules of behaviour for offences referred to in letter B.1.5 of the Model

All those who are in a position to commit, in the interest or for the benefit of Lucchini RS, the offence of corruption in the private sector and the offence of incitement to corruption in the private sector are required to carry out all activities in accordance with the new regulations, internal procedures and the Code of Ethics, in particular with regard to all operations relating to the management of contracts, customers and agents, orders, marketing events, as well as payments made and received.

The procedures and general rules of behaviour must be strictly followed and implemented by all directors, managers, employees, collaborators and agents, as well as by those acting for the Company, and are addressed to all Recipients of the Model.

For the purpose of preventing the offence of corruption in the private sector, it is expressly forbidden for all the above-mentioned subjects to:

(i) promise or offer money, goods or, more generally, various types of benefits to anyone in order to obtain the carrying out of acts against official duties or their professional activity;

(ii) engage in corrupt practices, without any exception: in particular, it is forbidden to receive, demand, pay or offer, directly or indirectly, any kind of fee, gifts, economic advantages or other benefits from, or to, a private individual and/or the entity directly or indirectly represented by it that:

(a) exceed a low value and the limits of reasonable courtesy practices and, in any case,

(b) are likely to be interpreted as aimed at unduly influencing relations between the Company and the subject, regardless of the purpose of pursuing, exclusively or otherwise, the interest or benefit for the Company;

(iii) make unofficial payments of low value, made for the purpose of speeding up, facilitating or ensuring the carrying-out of a routine activity or in any case envisaged within the scope of the duties of private individuals with whom the Company deals with;

(iv) impose or accept any service if it can be carried out only by compromising the values and principles of the Code of Ethics or by violating internal rules and procedures.

The Supervisory Body periodically asks - if it deems it appropriate also in writing - the members of the corporate bodies, as well as the managers of the individual functions for information on the progress of the procedures and contacts with directors or persons supervised by them.

Any news of inspection carried out by public authorities or of alleged or ascertained violation of regulations or also any news relating to reports or complaints, even from private individuals, which may contain elements relating to any of the predicate offences falling within the category of offences of corruption in the private sector must be brought to the attention of the Supervisory Body in a timely manner.

B.3 Specific protocols

In addition to what is already regulated by the existing system of procedures, Annex B of this Model contains the specific protocols for the prevention of corporate offences.

SPECIAL PART C -OFFENCES COMMITTED IN VIOLATION OF ACCIDENT-PREVENTION REGULATIONS AND ON THE PROTECTION OF OCCUPATIONAL HEALTH AND SAFETY

C.1 Description of offences of negligent homicide and serious or very serious personal injury, in violation of accident-prevention and occupational health and safety regulations (art. 25-septies of the Decree)

A brief description of the offences referred to in art. 25-septies is provided below, referring to the text of Lgs. D. 231/2001 and that of the Italian Penal Code for their detailed description.

(i) Negligent homicide (art. 589, Italian Penal Code)

Pursuant to art. 589 of the Italian Penal Code, anyone who, through negligence, causes the death of another man is liable for this crime. Homicide is negligent when the perpetrator does not want the death of the victim or the damaging event from which it derives and both occur through the perpetrator's fault or negligence, inexperience or failure to comply with the law by the perpetrator.

(ii) Negligent serious personal injury (art. 590, Italian Penal Code)

Art. 590, third paragraph, of the Italian Penal Code punishes the behaviour of anyone who causes serious or very serious personal injury to others by violating the regulations for the prevention of accidents at work.

The personal injury is serious:

- if the event results in an illness that endangers the life of the injured party or in an illness or inability to pursue his/her ordinary employment for more than forty days;
- if the offence leads to a permanent impairment of sense or organ.

The personal injury is very serious, if the offence results in:

- a disease certainly or probably incurable;
- the loss of a sense;
- loss of a limb, or mutilation that makes the limb useless, or the loss of the use of an organ or of the ability to procreate or a permanent and serious difficulty of speech;
- deformation or permanent facial scarring.

Description of the offence of employment of third-country nationals staying illegally (art. 25 duodecies of the Decree)

The offence against the person is committed when foreign workers are employed without a residence permit or with a residence permit that has expired, been revoked or cancelled, and is aggravated by the number of foreign workers exceeding three, by minors and by the fact that they are subject to particularly exploitative working conditions (art. 22, par. 12-*bis*, Italian Legislative Decree 286/1998).

C.2 Rules of behaviour

The following rules of behaviour must be complied with by the Recipients of the Model and by the partners and suppliers that the Company uses to ensure safety and health at the workplace. In particular, the Employer and all subjects having duties and responsibilities in the management of the obligations required by the accident-prevention and occupational health and safety regulations (by way of example: PPSM - Prevention and protection service manager, PPSO - Prevention and Protection Service Officers, WRS - Workers' representative for safety, OHP - Occupational health specialist, persons in charge of first aid, persons in charge of emergency in case of fire) must guarantee, each insofar as it concerns them:

(i) the definition of the objectives for the health and safety of workers and the continuous identification of dangers;

(ii) an adequate level of information/training of employees and suppliers/contractors on the management system of occupational safety and health defined by Lucchini RS and on the consequences deriving from the failure to comply with the laws and rules of behaviour and control defined by the Company;

(iii) the definition and updating (based on changes in the organisational and operational structure of the Company) of specific procedures for accident and disease prevention, which, among other things, regulate the way in which "relevant" signals, such as accidents and "near misses", and emergencies are managed;

(iv) the suitability of human resources - in terms of number and professional qualifications - and materials, required to achieve the objectives set by the Company for the safety and health of workers;

(v) ordinary and extraordinary maintenance of instruments, plant, machinery and, in general, company structures;

(vi) the application of disciplinary measures in case of violations of the principles of behaviour, protocols and company procedures defined and communicated by the Company.

In general, all the Recipients of the Model must comply with what is defined by the Company in order to protect the safety and health of workers and communicate immediately to the identified structures and in the manner defined in the business procedures any risk/danger signs (for example, "near misses"), accidents (regardless of their seriousness) and violation of the rules of behaviour and of business procedures.

Furthermore, it is expressly forbidden for all Recipients of the Model to:

(i) engage in, collaborate or cause others to engage in such a behaviour that, taken individually or collectively, constitute, directly or indirectly, the offences falling under those considered above (art. 25-septies of Lgs. D. 231/2001);

(ii) implement or cause violations of the principles of behaviour, protocols and business procedures.

In any case, the procedures for greater protection envisaged within Lucchini RS for carrying out the activities in question are not affected.

C.3 Specific protocols

The main documents adopted by the Company with reference to the management of occupational health and safety are as follows:

i) Factory Safety Report and Notification

ii) Safety Management System Documents (including the "*PSGS*" procedures)

iii) Internal Emergency Plan

iv) STA Procurement Procedure

v) Risk assessment document (RAD)

In addition to what is already regulated by the existing system of procedures, Annex C of this Model contains the specific protocols for the prevention of offences on occupational health and safety.

SPECIAL PART D

OFFENCES COMMITTED IN VIOLATION OF ENVIRONMENTAL REGULATIONS

D.1 Description of offences committed in violation of environmental regulations (art. 25 - undecies of the Decree)

A brief description of the offences referred to in art. 25-undecies is provided below, referring to the text of Lgs. D. 231/2001 and that of the Italian Penal Code for their detailed description.

KILLING, DESTRUCTION, CAPTURE, TAKING, POSSESSION OF SPECIMENS OF PROTECTED WILD FLORA OR FAUNA (ART. 727 BIS, ITALIAN PENAL CODE)

Unless the fact constitutes a more serious offence, whoever, outside of the cases allowed, kills, captures or holds specimens belonging to a protected wild fauna is punished with one to six months of imprisonment or with a fine of up to Euro 4,000, except in cases where the action concerns a negligible quantity of such specimens and has a negligible impact on the state of preservation of the species. Whoever, outside of the cases allowed, kills, captures or holds specimens belonging to a protected wild flora is punished with a fine of up to Euro 4,000, except in cases where the action concerns a negligible quantity of such specimens and has a negligible impact on the state of preservation of the species.

Destruction or deterioration of habitats within a protected site (art. 733 bis, Italian Penal Code)

1. Whoever, outside the allowed cases, destroys a habitat or in any case deteriorates it, compromising its state of preservation, is punished with up to eighteen months of imprisonment and a fine of not less than Euro 3,000.

2. For the purposes of applying Art. 727, wild protected species are those listed in Annex IV to Directive 92/43/EC and in Annex I to Directive 2009/147/EC.

3. For the purposes of applying Art. 733 of the Italian Penal Code, habitats within a protected site means any habitat of species for which an area is classified as a special protection area pursuant to art. 4, par. 1 or 2, Directive 2009/147/EC, or any natural habitat or a habitat of species for which a site is designated as a special area of preservation pursuant to art. 4, par. 4, Directive 92/43/EC.

ITALIAN LEGISLATIVE DECREE No. 152 of 3/04/2006: Environmental regulations

PENAL SANCTIONS (ART. 137, PARAGRAPHS 1, 2, 3, 5, 11, 13)

Paragraph 1. Whoever opens or in any case carries out new industrial wastewater discharges without authorisation, or continues to carry out or maintain such discharges after the authorisation has been suspended or revoked, is punished with two months to two years of imprisonment or with a fine from Euro 1,500 to Euro 10,000.

Paragraph 2. When the behaviour described in paragraph 1 concerns industrial wastewater discharges containing dangerous substances included in the families and groups of substances indicated in tables 5 and 3/A of Annex 5 to the third part of this decree, the penalty is imprisonment from three months to three years.

Paragraph 3. Whoever, apart from the cases referred to in paragraph 5, discharges industrial wastewater containing the hazardous substances included in the families and groups of substances indicated in tables 5 and 3/A of Annex 5 to the third part of this decree without complying with the requirements of the authorisation, or other requirements of the competent authority pursuant to art. 107, paragraph 1, and art. 108, paragraph 4, is punished with up to two years of imprisonment.

Paragraph 5. Whoever, in relation to the substances indicated in table 5 of Annex 5 to part three of this Decree, when discharging industrial wastewater, exceeds the limit values set out in table 3 or, in the case of discharge to soil, in table 4 of Annex 5 to part three of this Decree, or the more restrictive limits set by the regions or autonomous provinces or by the competent Authority pursuant to Art. 107, paragraph 1, is punished with up to two years of imprisonment and a fine of between three thousand euros and thirty thousand euros. If the limit values set for the substances contained in table 3/A of the same Annex 5 are also exceeded, a six-month to three-year imprisonment and a fine of between six thousand euros and one hundred and twenty thousand euros are applied.

Paragraph 11. Whoever fails to comply with the bans on discharges laid down in art. 103 and art. 104 is punished with up to three years of imprisonment.

Paragraph 13. The penalty of imprisonment from two months to two years is always applied if the discharge into the sea from ships or aircrafts contains substances or materials whose spillage is absolutely banned pursuant to the provisions contained in international conventions in force and ratified by Italy, except for the case in which the quantities are such as to be made quickly harmless by physical, chemical or biological processes that take place naturally at sea and provided there is a prior authorisation by the competent authority.

UNAUTHORISED WASTE MANAGEMENT (ART. 256, PARAGRAPHS 1, 3, 5, 6, ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 1. Whoever collects, transports, recovers, disposes of and trades waste without the prescribed authorisation, registration or communication referred to in articles 208, 209, 210, 211, 212, 214, 215 and 216 is punished:

(a) with three months to one year of imprisonment or a fine of between two thousand six hundred euros and twenty-six thousand euros in the case of non-hazardous waste;

(a) with six months to two years of imprisonment or a fine of between two thousand six hundred euros and twenty-six thousand euros in the case of hazardous waste.

Paragraph 3. Whoever builds or operates an unauthorised dumping site is punished with six months to two years of imprisonment and a fine of between two thousand six hundred euros and twenty-six thousand euros. The penalty is one to three years' imprisonment and a fine of five thousand two hundred to fifty-two thousand euros if the dumping site is intended, even in part, for the disposal of hazardous waste. The conviction or judgement passed pursuant to Art. 444 of the Code of Penal Procedure is followed by the confiscation of the area on which the illegal dumping site is located if it is the property of the perpetrator of the offence or party to the offence, without prejudice to the obligations of reclamation or restoration to its current state of repair.

Paragraph 5. Whoever, in violation of the prohibition set forth in art. 187, carries out unauthorised activities of mixing waste, is punished with the penalty referred to in paragraph 1, letter b).

Paragraph 6. Whoever temporarily deposits hazardous medical waste at the place of production, in violation of the provisions of art. 227, paragraph 1, letter b), is punished with three months to one year of imprisonment or a fine of between two thousand six hundred euros and twenty-six thousand euros. The administrative pecuniary penalty from two thousand six hundred euros to fifteen thousand five hundred euros applies for quantities not exceeding two hundred litres or equivalent quantities.

RECLAMATION OF SITES (ART. 257, PARAGRAPHS 1, 2 ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 1.Whoever causes the pollution of soil, subsoil, surface water and groundwater with concentrations exceeding the threshold of risk is punished with six months to one year of imprisonment or a fine of between two thousand six hundred euros and twenty-six thousand euros, if nothing is done to carry out the reclamation in accordance with the project approved by the competent authority as part of the procedure set forth in art. 242 et sequitur. If the notification referred to in art. 242 is not carried out, the offender is punished with three months to one year of imprisonment or a fine of between one thousand and twenty-six thousand euros.

Paragraph 2. The penalty is one to two years' imprisonment and a fine of five thousand two hundred euros to fifty-two thousand euros if the pollution is caused by dangerous substances.

VIOLATION OF THE REQUIREMENTS TO NOTIFY, KEEP MANDATORY RECORDS AND FORMS (ART. 258, PARAGRAPH 4, second sentence, **ITALIAN LEGISLATIVE DECREE 152/2006)**

Paragraph 4. Companies that collect and transport their own non-hazardous waste as per art. 212, paragraph 8, that do not comply, on a voluntary basis, with the waste tracking control system (SISTRI) as per art. 188-bis, paragraph 2, letter a), and transport waste without the form as per art. 193, or indicate incomplete or inaccurate data in the form itself, are punished with an administrative pecuniary penalty from one thousand six hundred euros to nine thousand three hundred euros. The penalty referred to in art. 483 of the penal code is applied to those who, in preparing a waste analysis certificate, provide false information on the nature, composition and chemical and physical characteristics of waste and to those who use a false certificate during transport.

ILLICIT TRAFFICKING IN WASTE (ART. 259, PARAGRAPH 1, ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 1. Whoever carries out a shipment of waste constituting illegal trafficking pursuant to art. 26 of Regulation (EEC) No. 259 of 1 February 1993, or carries out a shipment of waste listed in Annex II to the said regulation in violation of art. 1, paragraph 3, letter a), b), c) and d) of the regulation itself, is punished with a fine of between one thousand five hundred and fifty euros and twenty-six thousand euros and up to two years of imprisonment. The penalty is increased in case of shipment of hazardous waste.

ORGANISED ACTIVITIES FOR ILLICIT TRAFFICKING IN WASTE (ART. 260, PARAGRAPHS 1, 2 ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 1. Whoever, in order to obtain an unfair profit, with several operations and through the preparation of organised means and continuous activities, transfers, receives, transports, exports, imports or, in any case, illegally manages large quantities of waste, is punished with one to six years of imprisonment.

Paragraph 2. In the case of highly radioactive waste, the penalty is three to eight years' imprisonment.

COMPUTERISED SYSTEM FOR WASTE TRACKING CONTROL (ART. 260 BIS, PARAGRAPHS 6, 7, 8, ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 6. The penalty referred to in art. 483 of the Italian Penal Code is applied to anyone who, in preparing a waste analysis certificate, used as part of the waste tracking control system, provides false information on the nature, composition and chemical and physical characteristics of waste and to anyone who inserts a false certificate in the data to be provided for the purposes of waste tracking.

Paragraph 7. The carrier who fails to accompany the transport of waste with a paper copy of the SISTRI - AREA MOVIMENTAZIONE form and, where necessary on the basis of current regulations, with a copy of the analytical certificate identifying the characteristics of the waste is punished with an administrative pecuniary penalty ranging from Euro 1,600 to Euro 9,300. The penalty referred to in art. 483 of the Italian Penal Code is applied in the case of transport of hazardous waste. This last penalty also applies to the person who, during transport, uses a waste analysis certificate containing false information on the nature, composition and chemical and physical characteristics of the transported waste.

Paragraph 8. The carrier who accompanies the transport of waste with a paper copy of the SISTRI - AREA Movimentazione form fraudulently altered is punished with the penalty envisaged in art. 477 to be considered in conjunction with art. 482 of the Italian Penal Code. The penalty will increase to a third in case of hazardous waste.

PENALTIES FOR THE PROTECTION OF AIR AND REDUCTION OF EMISSIONS INTO THE ATMOSPHERE (ART. 279, PARAGRAPH 5, ITALIAN LEGISLATIVE DECREE 152/2006)

Paragraph 5. In the cases envisaged in paragraph 2, the penalty of imprisonment for up to one year is always applied if the exceeding of the emission limit values also determines the exceeding of the air quality limit values provided for by the current regulations.

ITALIAN LAW No. 150 of 7 February 1992 - Regulation of offences relating to the application in Italy of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed in Washington on 3 March 1973, referred to in Law No. 874 of 19 December 1975, and Regulation (EEC) No. 3626/82, as amended, as well as regulations on the marketing and keeping of live specimens of mammals and reptiles that may constitute a danger to public health and safety:

ART. 1, PARAGRAPH 1

Paragraph 1. Unless the fact constitutes a more serious offence, whoever, in violation of the provisions of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, for the specimen belonging to the species listed in Annex A of the said Regulation as amended and supplemented:

a) imports, exports or re-exports specimens, under any customs procedure, without the required certificate or licence, or with a certificate or licence that is not valid pursuant to art. 11, paragraph 2a, of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended;
b) fails to comply with the requirements for the safety of specimens specified in a licence or certificate issued in accordance with Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended;
(c) uses the aforementioned specimens in a manner inconsistent with the requirements contained in the authorisation or certification measures issued with the import licence or subsequently certified;
d) transports or sends, even on behalf of third parties, specimens without the required licence or certificate, issued in accordance with Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended, and, in the case of export or re-export from a third country party to the Washington Convention, issued in accordance with the same, or without sufficient proof of their existence;
(e) trades in artificially propagated plants in contrast with the requirements laid down on the basis of art. 7, paragraph 1, letter b) of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended;
(f) holds, uses for profit, purchases, sells, displays or holds for sale or for commercial purposes, offers for sale or otherwise disposes of specimens without the required documents,

is punished with three months to one year of imprisonment and a fine ranging from Euro 7,746.85 to Euro 77,468.53. *In the event of a second offence, the penalty of imprisonment from three months to two years and the fine from Euro 10,329.14 to Euro 103,291.38 is applied.* If the aforementioned offence is committed in the running of business activities, the conviction is followed by the suspension of the licence from a minimum of six months to a maximum of eighteen months.

***ART*. 2, PARAGRAPHS 1, 2**

Paragraph 1. Unless the fact constitutes a more serious offence, whoever, in violation of the provisions of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, for the specimen belonging to the species listed in Annexes B and C of the said Regulation as amended:

a) imports, exports or re-exports specimens, under any customs procedure, without the required certificate or licence, or with a certificate or licence that is not valid pursuant to art. 11, paragraph 2a, of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended;
b) fails to comply with the requirements for the safety of specimens specified in a licence or certificate issued in accordance with Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended;
(c) uses the aforementioned specimens in a manner inconsistent with the requirements contained in the authorisation or certification measures issued with the import licence or subsequently certified;
d) transports or sends, even on behalf of third parties, specimens without the required licence or certificate, issued in accordance with Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended, and, in the case of export or re-export from a third country party to the Washington Convention, issued in accordance with the same, or without sufficient proof of their existence;
(e) trades in artificially propagated plants in contrast with the requirements laid down on the basis of art. 7, paragraph 1, letter b) of Council Regulation (EC) No. 338/97 of 9 December 1996, as implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended;
(f) holds, uses for profit, purchases, sells, displays or holds for sale or for commercial purposes, offers for sale or otherwise disposes of specimens without the required documents, only for the species referred to in Annex B of the Regulations,

is punished with a fine from Euro 10,329.14 to Euro 103,291.38 or with three months to one year of imprisonment.
Paragraph 2. In the event of a second offence, the penalty of imprisonment from three months to one year and the fine from twenty million lire to two hundred million lire is applied. If the aforementioned offence is committed in the running of business activities, the conviction is followed by the suspension of the licence from a minimum of four months to a maximum of twelve months.

ART. 3 BIS, PARAGRAPH 1

Paragraph 1. The offences referred to in art. 16, paragraph 1, letter a), c), d), e) and l) of Council Regulation (EC) No. 338/97 of 9 December 1996, as amended, concerning the forgery or alteration of

certificates, licences, import notifications, declarations, information notifications in order to obtain a licence or a certificate, use of false or altered certificates or licences are subject to the penalties referred to in Book II, Title VII, Chapter III of the Penal Code.

ART. 6, PARAGRAPH 4 ITALIAN LAW No. 150/1992

Paragraph 4. Whoever violates the provisions set forth in paragraph 1 is punished with up to three months of imprisonment or a fine of *Euro 7,746.85 to Euro 103,291.38.*

TERMINATION AND REDUCTION OF THE USE OF OZONE AND ATMOSPHERE DEPLETING SUBSTANCES (ART. 3, PARAGRAPH 6, ITALIAN LAW No. 549/1993)

Paragraph 6. Whoever violates the provisions of this article is punished with up to two years of imprisonment and a fine of up to three times the value of the substances used for production, import or marketing purposes. In the most serious cases, the conviction is followed by the revocation of the authorisation or licence under which the activity constituting the offence is carried out.

Italian legislative decree no. 202, 6 November 2007: Implementation of Directive 2005/35/EC on ship-source pollution and ensuing penalties

FRAUDULENT AND NEGLIGENT SHIP-SOURCE POLLUTION (ART. 8, PARAGRAPHS 1, 2, 3 - ITALIAN LEGISLATIVE DECREE No. 202/2007)

Paragraph 1. Unless the fact constitutes a more serious offence, the Commander of a ship, flying any flag, as well as the members of the crew and the shipowner, in the event that the violation occurred with their complicity, who wilfully violate the provisions of art. 4 are punished with six months to two years of imprisonment and with a fine from Euro 10,000 to Euro 50,000.

Paragraph 2. If the violation referred to in paragraph 1 causes permanent or, in any case, particularly serious damage, to the quality of the water, to wild fauna or flora or to parts of them, one to three years of imprisonment and a fine of between Euro 10,000 and Euro 80,000 are applied.

Paragraph 3. The damage is considered to be particularly serious when the elimination of its consequences is particularly complex from the technical point of view, or particularly costly and achievable only by exceptional measures.

NEGLIGENT POLLUTION (ART. 9, PARAGRAPH 1, 2 ITALIAN LEGISLATIVE DECREE No. 202/2007)

Paragraph 1. Unless the fact constitutes a more serious offence, the Commander of a ship, flying any flag, as well as the members of the crew and the shipowner, in the event that the violation occurred with their complicity, who violate through negligence the provisions of art. 4 are punished with a fine from Euro 10,000 to Euro 30,000.

Paragraph 2. If the violation referred to in paragraph 1 causes permanent or, in any case, particularly serious damage, to the quality of the water, to wild fauna or flora or to parts of them, six months to two years of imprisonment and a fine of between Euro 10,000 and Euro 30,000 are applied.

ENVIRONMENTAL POLLUTION (Art. 452-*bis* Italian Penal Code; Art. 25-*undecies* par. 1 let. a) Italian Legislative Decree 231/01)

This offence is committed by anyone who abusively causes a significant and measurable impairment or deterioration:

1) of water or air, or of large or significant portions of the soil or subsoil;

2) of an ecosystem, of biodiversity, including agricultural biodiversity, of flora or fauna.

The offence envisages an aggravating circumstance for the natural person in the event that the pollution is produced in a natural area protected or subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or to the detriment of protected wild fauna or flora.

In case of administrative liability of the legal entity, the fine for the company ranges from 250 to 600 units. The application of the debarment sanctions listed in Article 9 of Lgs. D. 231/01 for the company is expressly envisaged for a period not exceeding one year.

ENVIRONMENTAL DISASTER (art. 452-*quater* of the Italian Penal Code; art. 25-*undecies* par. 1 let. b) Lgs. D. 231/01)

This offence (crime) is committed by anyone who, with the exception of the cases envisaged by Article 434 of the Italian Penal Code, illegally causes an environmental disaster. Alternatively, the following elements constitute an environmental disaster:

1) the irreversible alteration of the equilibrium of an ecosystem;

2) the alteration of the equilibrium of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures;

3) the offence to public safety because of the importance of the fact due to the extent of the impairment or of its detrimental effects i.e. due to the number of people injured or exposed to danger

The fine for the company ranges from 400 to 800 units. The application of the debarment sanctions listed in Article 9 of Lgs. D. 231/01 is expressly envisaged.

NEGLIGENT CRIMES AGAINST THE ENVIRONMENT (art. 452-*quinquies* of the Italian Penal Code; art. 25-*undecies* par. 1 let. c) Lgs. D. 231/01)

Negligent crimes against the environment that are predicate offences (like the previous ones) for the administrative liability of the entity, envisage that if any of the facts referred to in the offences of

"environmental pollution" and "environmental disaster" (art. 452-*bis* and art. 452-*quater* of the Italian Penal Code) is committed **through negligence,** the penalties for natural persons are reduced.

If the danger of environmental pollution or environmental disaster **arises** from the commission of the above offences, the penalties are further reduced. In case of administrative liability of the Entity, the fine for the company ranges from 200 to 500 units.

AGGRAVATED ASSOCIATIVE CRIMES (art. 452-*octies* of the Italian Penal Code; art. 25-*undecies* par. 1 let. d) Lgs. D. 231/01). The fine for the company ranges from 300 to 1000 units.

TRAFFICKING AND ABANDONMENT OF HIGHLY RADIOACTIVE MATERIAL (art. 452-*sexies* of the Italian Penal Code; art. 25-*undecies* par. 1 let. e) Lgs. D. 231/01).

The offence punishes anyone who illegally sells, buys, receives, transports, imports, exports, procures for others, holds, transfers, abandons or illegally disposes of highly radioactive material. The regulation envisages some aggravated offences.

The fine for the company ranges from 250 to 600 units.

D.2 Rules of behaviour

The following rules of behaviour must be complied with by the Recipients of the Model and by the partners and suppliers that the Company uses to ensure compliance with existing environmental regulations. In particular, the Employer and all subjects having duties and responsibilities in the management of the obligations required by environmental protection regulations (by way of example: PPSM - Prevention and protection service manager, PPSO - Prevention and Protection Service Officers, persons in charge of emergency in case of fire) must guarantee, each insofar as it concerns them:

(vii) the definition of the objectives for the protection of the environment and the continuous identification of dangers;

(viii) an adequate level of information/training of employees and suppliers/contractors on the management system of the environment defined by Lucchini RS and on the consequences deriving from the failure to comply with the laws and rules of behaviour and control defined by the Company;

(ix) the definition and updating (based on changes in the organisational and operational structure of the Company) of specific procedures for preventing the commission of environmental offences and the management of emergencies;

(x) the suitability of human resources - in terms of number and professional qualifications - and materials, required to achieve the objectives set by the Company for the protection of the environment;

(xi) ordinary and extraordinary maintenance of instruments, plant, machinery and, in general, company structures;

(xii) the application of disciplinary measures in case of violations of the principles of behaviour, protocols and company procedures defined and communicated by the Company.

In general, all the Recipients of the Model must comply with what is defined by the Company in order to protect the environment and communicate immediately to the identified structures and in the manner defined in the business procedures any risk/danger signs, accidents (regardless of their seriousness) and violation of the rules of behaviour and of business procedures.

Furthermore, it is expressly forbidden for all Recipients of the Model to:

(iii) engage in, collaborate or cause others to engage in such a behaviour that, taken individually or collectively, constitutes, directly or indirectly, the offences falling under those considered above (Article 25-undecies of Lgs. D. 231/2001);

(iv) implement or cause violations of the principles of behaviour, protocols and business procedures.

In any case, the procedures for greater protection envisaged within Lucchini RS for carrying out the activities in question are not affected.

D.3 Specific protocols

The main documents adopted by the Company with reference to the management of the environment are as follows:

i) Initial Environmental Analysis
ii) Environmental Management System Manual (MSA)
iii) Environmental Management System Procedures “PSGA”
iv) Environmental Operating Practices “PAM”
v) Quality System Procedures
vi) Quality Assurance System Procedure

In addition to what is already regulated by the existing system of procedures, Annex D of this Model contains the specific protocols for the prevention of environmental offences.

SPECIAL PART E CRIMES AGAINST PUBLIC TRUST, INDUSTRY AND TRADE AND COPYRIGHT VIOLATION

E.1 Description of crimes against public trust, industry and trade (Art. 25 bis. 1 of the Decree) and copyright violation (Art. 25- novies of the Decree)

A brief description of the offences referred to in art. 25 bis 1 and 25- novies is provided below, referring to the text of Lgs. D. 231/2001 and that of the Italian Penal Code for their detailed description.

Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (art. 473, Italian Penal Code)

This offence occurs when someone able to know of the existence of the industrial property right, counterfeits or alters trademarks or domestic or foreign distinctive signs of industrial products, or when someone, without being a party to the counterfeiting or alteration, uses these counterfeited or altered trademarks or signs.

Introduction and marketing of products in Italy under false trademarks (art. 474, Italian Penal Code)

This offence occurs, except for the cases of complicity in the offences referred to in Article 473 of the Italian Penal Code, when someone introduces into the territory of the State, in order to obtain a profit, industrial products with counterfeited or altered, domestic or foreign trademarks or other distinctive signs. This offence also occurs, except for the cases of complicity in counterfeiting, alteration, introduction into the territory of the State, if someone holds for sale, sells or otherwise puts into circulation, in order to make a profit, the products referred to in the previous period.

Disruption of the freedom of industry and trade (art. 513, Italian Penal Code)

This offence occurs when someone uses violence against property or fraudulent means to prevent or disrupt the running of an industry or trade.

Unlawful competition under threat or violence (art. 513-bis, Italian Penal Code)

This offence occurs when a person, in running commercial, industrial or other production activities, engages in acts of competition under violence or threat.

Fraud against national industries (art. 514, Italian Penal Code)

Article 514 of the Italian Penal Code punishes whoever, by selling or otherwise putting into circulation, on domestic or foreign markets, industrial products with altered names, trademarks or distinctive signs, damages the domestic industry.

Fraudulent trading (art. 515, Italian Penal Code)

Article 515 of the Italian Penal Code punishes whoever, when running a commercial business, or in a shop open to the public, delivers the purchaser a chattel instead of another, or a chattel other than that stated or agreed in terms of origin, quality or quantity.

Sale of non-genuine food products as genuine (art. 516, Italian Penal Code)

Article 516 of the Italian Penal Code punishes whoever sells or otherwise markets non-genuine food products.

Sale of industrial products with false signs (art. 517, Italian Penal Code)

This offence occurs if someone sells or puts into circulation intellectual property or industrial products, with national or foreign names, trademarks or distinctive signs, likely to mislead the buyer on the origin or quality of the work or product.

Manufacture and trade of goods produced in encroachment of industrial ownership rights (art. 517-ter, Italian penal code)

This offence occurs when someone able to know of the existence of the industrial property right, manufactures or uses industrially objects or other goods produced in encroachment of an industrial ownership right or in violation thereof. Whoever, in order to make a profit, introduces into the territory of the State, holds for sale, offers for sale directly to consumers or, in any case, puts into circulation the goods referred to in the preceding period, is also punished.

Counterfeiting of geographical indications or designations of origin of agri-food products (art. 517-quater, Italian Penal Code)

This offence occurs when someone counterfeits or in any case alters geographical indications or designations of origin of agri-food products.

Dissemination of intellectual works through a telecommunication network (Art. 171, paragraph 1, letter a-bis and paragraph 3 Italian Legislative Decree no. 633 of 22 April 1941)

Whoever, without having the right to do so, for any purpose and in any manner, makes available to the public, by entering it in a telecommunication network system, through any kind of connection, a protected intellectual property, or part of it, is punished.

This offence also occurs if the offences referred to above are committed in relation to someone else's work not intended for publishing, or with the usurpation of the authorship of the work, or with deformation, mutilation or other modification of the work itself, should the honour or reputation of the author be offended.

Offences relating to software and databases (Art. 171-bis, paragraph 1 and 2, Italian Legislative Decree no. 633 of 22 April 1941)

Whoever illegally duplicates, for profit, computer programmes or, for the same purposes, imports, distributes, sells, holds for business or entrepreneurial purposes or rents programmes on media not marked by the Italian Authors' and Publishers' Association (SIAE, Società italiana degli autori ed editori), is punished. This offence also occurs if the crime concerns any means allowing or facilitating the arbitrary removal or avoidance of devices applied to protect a computer programme.

Whoever, for the purpose of making a profit, on media that are not SIAE marked, reproduces, transfers to other medium, distributes, communicates, presents or shows in public the contents of a database in violation of the provisions set forth in art. 64-*quinquies* and art. 64-*sexies* of Italian Legislative Decree no. 633 of 22 April 1941, or extracts or re-uses the database in violation of the provisions set forth in art. 102-*bis* and art. 102-*ter* of the same Decree, or distributes, sells or rents a database, is punished.

Offences concerning intellectual property intended for radio, television, cinema or literary, scientific and educational circuits (Art. 171-ter -Italian Legislative Decree no. 633 of 22 April 1941)

If the offence is committed for non-personal use, whoever for profit behaves as indicated below is punished:

1. illegally copies, reproduces, transmits or disseminates in public by any means, in whole or in part, an intellectual property for the television, cinema, sale or rental, disks, tapes or similar media or any other medium containing phonograms or videograms of similar musical, cinematographic or audiovisual works or sequences of motion pictures;

2. illegally reproduces, transmits or disseminates in public by any means, literary, dramatic, scientific or educational, musical or musical-dramatic, multimedia works, in whole or in part, even if included in collective or composite works or databases;

3. introduces in the territory of the State, holds for sale or distribution, or distributes, introduces into the market, rents or transfers for any reason, shows in public, broadcasts on television with any

process, broadcasts on the radio, plays in public the illegal copies or reproductions set forth in letters a) and b), albeit without being a party to the copy or reproduction;

4. holds for sale or distribution, introduces into the market, sells, rents, transfers in any way, shows in public, broadcasts on the radio or on television with any process, videotapes, audio cassettes, any medium containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of motion pictures, or other medium for which the affixing of mark by the Italian Authors' and Publishers' Association (SIAE, Società italiana degli autori ed editori) is prescribed, pursuant to the current law, without this mark or with counterfeit or altered mark;

5. in the absence of agreement with the lawful distributor, retransmits or disseminates by any means an encrypted service received by means of equipment or parts of equipment fit for decoding conditional-access broadcasts;

6. introduces into the territory of the State, holds for sale or distribution, distributes, sells, rents, transfers for any reason, promotes commercially, installs devices or special decoding elements that allow access to an encrypted service without paying the required fee.

Violation against the SIAE (Art. 171-septies - Italian Legislative Decree no. 633 of 22 April 1941)

Producers or importers of the media not subject to the mark set forth in art. 181-*bis* of Italian Legislative Decree no. 633 of 22 April 1941, who do not notify the SIAE within thirty days from the date of introduction into the market on the national territory or from the date of import, the data required for identifying the media unequivocally are punished.

Whoever declares untruly the fulfilment of the obligations set forth in art. 181-*bis*, paragraph 2, of Italian Legislative Decree 633/1941 is also punished.

Tampering with equipment for the decoding of audiovisual signals with conditional access (Art. 171-octies -Italian Legislative Decree no. 633/1941)

Whoever, for fraudulent purposes, produces, sells, imports, promotes, installs, changes, uses for public and private use equipment or parts of equipment for decoding conditional-access audiovisual transmissions via air, satellite, cable, both in analogue and digital form, is punished. All audiovisual signals transmitted by Italian or foreign broadcasters in such a way as to make them visible exclusively to closed user groups selected by the person that issues the signal, irrespective of the imposition of a fee for the use of this service are with conditional access.

E.2 Rules of behaviour

The following rules of behaviour must be complied with by the Recipients of the Model and by the partners and suppliers that the Company uses to ensure compliance with current regulations on trademarks and patents.

As part of the **management of industrial property rights and patents**, the recipients of the Organisational, Management and Control Model who, by reason of their position, function or mandate, must resort to protected intellectual property or parts thereof, must ensure that:

(i) the relevant regulations and directives are complied with;

(ii) the internal procedures for the management of changes in plant parts/components (with the aim of verifying the presence of patent-protected components) are complied with, with a special reference to emergency situations;

(iii) they are protected by appropriate procedures;

(iv) the procedures laid down are strictly observed, acting constantly with transparency and clarity in the use of the works themselves required for carrying out their duties;

(v) they do not have business relations with persons (natural or legal) known to have or suspected of having carried out illegal activities with reference to the offence against industry and trade.

In any case, it is not allowed to:

(i) behave in such a way as to access business documents protected by patent with the aim of providing them to third parties regardless of the constraints contractually assumed;

(ii) behave in such a way as to disseminate confidential information relating to protected intellectual property or parts thereof with third parties without their authorisation;

(iii) behave in such a way as to disseminate confidential information relating to future intellectual property, before patent applications have been processed or before the final decision on whether or not to patent the product has been taken.

As part of the management or use of software applications, infrastructures and IT resources, it must be ensured that:

(i) the IT systems are used in accordance with the laws in force.;

(ii) constant action is taken with transparency and clarity, in strict compliance with the procedures envisaged by the applicable regulations;

(iii) the company's IT tools and supports are used in compliance with company procedures;

(iv) user credentials are checked on a regular basis in order to prevent any misuse of application systems;

(v) there is organisational separation in the management of system access between the User Function Manager who defines the profile and the Manager who creates the user profile and subsequently the IT Manager who regulates the levels of access;

(vi) Internet browsing and the use of electronic mail and smart cards through company information systems are carried out in accordance with the rules laid down by the Company.

In any case, it is not allowed to:

- behave, also with the help of third-party subjects, in such a way as to access information systems of others in order to:

  (i) illegally acquire information contained in the above-mentioned information systems;
  (ii) damage, destroy data contained in the above-mentioned information systems;
  (iii) use without authorisation access codes to computer and electronic systems as well as disseminate them;

- behave in such a way as to destroy or alter IT documents for evidentiary purposes without specific authorisation:

  (i) use or install programmes other than those authorised by the personnel of the organisational unit responsible for managing the Company's information systems;
  (ii) circumvent or attempt to circumvent the company security systems (Antivirus, Firewall, proxy server, etc.);

(iii) leave the Personal Computer without password protection and unattended;
(iv) disclose to anyone one's own authentication credentials (username and password) to the company network;
(v) unlawfully hold or disclose access codes to computer or electronic systems of third parties or public bodies;
(vi) disseminate equipment, devices or computer programmes aimed at unlawfully damaging an IT or telecommunication system;
(vii) enter the company network and programmes with a user identification code other than the one assigned.

E.3 Specific protocols

In addition to what is already regulated by the existing system of procedures, Annex E of this Model contains the specific protocols for the prevention of crimes against the industry and trade and on copyright violation.

SPECIAL PART F OFFENCE OF SELF-MONEY LAUNDERING

F.1 Description of the offence of self-money laundering (Art. 25- octies of the Decree)

A brief description of the offence referred to above is provided below, referring to the text of Lgs.
D. 231/2001 and that of the Italian Penal Code for its detailed description.

Italian Law 186/2014, in force since 1/1/2015, introduced into the Italian legal system the offence of self-money laundering in art. 648 ter 1 of the Italian Penal Code, whose purpose is to punish the distorting of the economic, entrepreneurial and financial system, through the use of money or goods of criminal origin.
Article 648 ter 1 of the Italian Penal Code punishes, in fact, whoever, after committing a negligent crime, uses, replaces, transfers in economic, financial, entrepreneurial or speculative activities, money, goods or other benefits coming from the commission of this crime, in such a way as to actually hinder the identification of their unlawful origin.
In terms of penalties, Article 648-*ter*.1 of the Italian Penal Code envisages that the offence of self-money laundering is punished with 2 to 8 years of imprisonment and a fine from Euro 5,000 to Euro

25,000. If the offence is less serious, i.e. punished with less than 5 years of imprisonment, the penalty is reduced: imprisonment from 1 to 4 years and a fine from Euro 2,500 to Euro 12,500, unless the offence was committed using the mafia method or to facilitate mafia associations. In this case, in fact, the ordinary measure of the penalty is applied. With regard to any liability of the entity, the same penalties are applicable as those provided for in Lgs. D. 231/2001 for the offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin (set forth in art. 25-*octies*). In particular, the following penalties apply: *i*) fine from 200 to 800 units or from 400 to 1000 units, where the offence is punished with imprisonment for a maximum of more than 5 years; *ii*) debarment sanctions for a period not exceeding 2 years.

The special structure of the offence of self-money laundering makes the relationship between the offence itself and Lgs. D. 231/2001 quite peculiar. If, in fact, Article 648 ter1 of the Italian Penal Code, from a criminal point of view, applies to anyone who invests the proceeds deriving from the previous commission of any non-negligent crime, from the perspective of the entities, the inclusion of the crime in question in the list of predicate offences referred to in Lgs. D. 231/2001, opens the way to a series of offences, formally excluded by the same decree.

Assuming that self-money laundering occurs if the following three conditions are met at the same time:

i) the entity created or contributed to the creation of a supply of money, goods or other benefits, through an initial non-negligent offence;
ii) the aforesaid supply is used, through further and independent behaviour, in entrepreneurial, economic and financial activities;
iii) a concrete obstacle is created to the identification of the criminal origin of the above mentioned supply;

it follows that all non-negligent crimes, capable of generating profit, represent a potential danger for the entity, since their commission constitutes the first step for committing the crime of self-money laundering.

It is therefore quite clear that even within the company, the prevention of the offence of self-money laundering must be focused on the prevention of those non-negligent crimes, capable of generating an investment profit.

The relevant offences

Based on the results of the analysis of the company's activities carried on, in relation to the offence of self-money laundering, the risks already dealt with in relation to the offences examined in various Special Parts of the Model are significant, in particular in view of the possibility that such offences may procure money, goods or other benefits for the Company.

Among the predicate offences mentioned in other Special Parts of the Model, the following should be mentioned, in particular:

- ✓ Criminal association (art. 416, Italian Penal Code);
- ✓ Associations with the Mafia (art. 416-bis, Italian Penal Code);
- ✓ Misappropriation of contributions, loans or other grants from the State or other public body (art. 316 ter, Italian Penal Code);
- ✓ Fraud against the State or other public body (art. 640, second paragraph, no. 1, Italian Penal Code);
- ✓ Aggravated fraud for the purpose obtaining public funds (Article 640-bis, Italian Penal Code);
- ✓ Computer fraud against the State or other public body (Article 640 ter, Italian Penal Code);
- ✓ Embezzlement against the State or other public body (Article 316 bis, Italian Penal Code).

The following *tax offences* should also be considered in the same perspective and because of their susceptibility to procure unlawful proceeds for the Company:

- ✓ Fraudulent tax declaration using invoices or other documents for non-existent transactions (art. 2, Lgs. D. no. 74 of 10 March 2000);
- ✓ Fraudulent declaration by means of other devices (art. 3, Italian Legislative Decree 74/2000);
- ✓ Untrue declaration (art. 4, Italian Legislative Decree 74/2000);
- ✓ Failure to declare (art. 5, Italian Legislative Decree 74/2000);
- ✓ Hiding or destroying accounting documents (art. 10, 74/2000);
- ✓ Failure to pay certified withholding taxes (art. 10 bis, 74/2000);
- ✓ Failure to pay VAT (art. 10 ter, 74/2000);
- ✓ Undue compensation (art. 10 quater, 74/2000);
- ✓ Fraudulent tax evasion (art. 11, 74/2000).

Although the offences envisaged by Italian Legislative Decree 74/2000 do not fall within the category of predicate offences referred to in Lgs. D. 231/2001, the use in economic/commercial activities of sums deriving from fraudulent tax savings is theoretically capable of constituting the crime of self-

money laundering. In the case of tax offences that, due to their nature, normally produce an economic advantage, the possibility of committing the new crime of self-money laundering is particularly high, owing to the possible recurrence of the behaviour envisaged by the new regulation, namely the replacement, transfer or use of money or benefits in economic and financial activities, in order to concretely hinder the identification of their criminal origin.

F.2 Rules of behaviour

The Recipients of the Model who, for reasons of their position and function, are involved in the management of the following operations: (i) accounting/administrative, (ii)financial: management of financial, investment and corporate relationships with third parties and group companies, transfer and use of funds, (iii) procurement of goods and services, works, (iv) sales, (v) sponsorship and contributions, (vi) management of equity investments (Italian and foreign), (vii) management of relationships with the tax authorities: activities related to tax obligations, such as declarations, registrations and checks on the correctness of obligations and management of intercompany relations, must always make use only of economic and financial resources whose origin has been verified and only for operations that have an explicit cause and are recorded and documented.

In this sense, the Company and all recipients of the Model are required to operate with transparency and to formalise the conditions and contractual terms that regulate the relationships.

In any case, it is not expressly allowed to:

- engage in, collaborate or cause others to engage in such a behaviour that, taken individually or collectively, constitutes, directly or indirectly, the offences falling under those considered above;
- violate the principles and procedures existing in the company and/or envisaged by the Model.

Specifically, it is strictly forbidden to:

- provide unnecessary services, invoice services not actually provided; duplicate invoicing for the same service; omit the issue of credit notes if services that do not exist or cannot be financed in full or in part have been invoiced, even in error;
- omit to record the Company's funds and their movements in documents;
- request or use contributions, loans, subsidised loans or other disbursements of the same type as those listed and disbursed by the State, by the Public Administration in general or by any public

body or by the EU or other international bodies, through false statements, through false documents or by omitting any information due;

- grant any commercial incentive that is not in line with the allowed value limits and has not been approved and registered in accordance with internal procedures or as contractually agreed;
- recognise any commission, discount, credit and rebate that has not been granted in accordance with current regulations and officially granted to corporate entities, upon presentation of supporting documents

There is an express obligation to:

- behave correctly, transparently and collaboratively, in compliance with the law and internal business procedures, in all activities aimed at issuing invoices and related registration, keeping accounts, recording the related movements and preparing financial statements;
- ensure that the entire process of managing the company's accounts is carried out in a transparent and documentable manner.

F.3 Specific protocols

In addition to what is already regulated by the existing system of procedures, Annex F of this Model contains the specific protocols for the prevention of the offence of self-money laundering.

SPECIAL PART G
OFFENCES OF CORRUPTION ENVISAGED BY ITALIAN L. 190/2012 - MEASURES TO PREVENT CORRUPTION

G.1 Description of the offence of corruption pursuant to Italian L. 190/2012

The National Anti-Corruption Plan and Circular No. 1 of 25 January 2013 of the Department of Public Administration indicate that corruption should be understood in a broad sense as including "*various situations in which, during administrative activities, a subject is found to have abused the power entrusted to him/her in order to obtain private benefits. The relevant situations are therefore evidently wider than the criminal offence regulated by Articles 318, 319 and 319 ter of the Italian Penal Code and are such as to include not only the entire range of crimes against the public administration*

regulated by Title II, Chapter I of the Italian Penal Code, but also the situations in which - regardless of the criminal relevance - a malfunctioning of the administration is pointed out due to the use for private purposes of the functions assigned".

Article 1, paragraph 5 of Italian L. 190/2012 requires the definition of "a three-year plan for the prevention of corruption that provides an assessment of the different level of exposure of the offices to the risk of corruption and indicates the organisational interventions aimed at preventing the same risk". The National Anti-Corruption Plan 2017 ("NAP") envisages that, with regard to other measures to prevent corruption, companies under public control and other similar private-law entities must adopt measures to prevent corruption in addition to those adopted pursuant to Italian Legislative Decree no. 231 of 8 June 2001 (art. 1, par. 2-bis, Italian L. 190/2012). In particular, the NAP regulates that these subjects "supplement the organisation and management model pursuant to Italian Legislative Decree no. 231 of 2001 with appropriate measures to prevent even the phenomena of corruption and illegality in accordance with the purposes of Italian L. 190/2012. In the light of the above provisions, Lucchini RS supplemented its Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (hereinafter referred to as "Model 231" or "Model"), in order to extend its scope of application to all offences considered in Italian L. 190/2012. In this regard, this Special Part regarding "Measures to prevent corruption" - part and parcel of Model 231 - was prepared.

This Special Part regarding "Measures to prevent corruption" must in any case be updated, if:
- significant violations of the requirements contained in this Special Part are found;
- there are significant changes in the internal and external context of reference;
- significant regulatory and/or organisational changes occur.

G.2 Rules of behaviour

In order to prevent, as part of the specific "sensitive" activities carried out in Lucchini RS, the commission of the offences envisaged by Italian L. 190/2012 and to ensure conditions of fairness and transparency in running the company business, this Special Part of the Model aims to:
- indicate the methods that the company Departments/Functions are required to observe in order to correctly apply the Model;
- provide the tools for monitoring, control and verification activities.

As a general rule, all the Department/Function Managers of the Company must behave, each insofar as it concerns them, in compliance with the contents of the following documents:

- Organisational chart;
- System of delegations and powers;
- Organisational communications;
- Internal policies, procedures and regulations adopted by the Company or by external subjects that provide services to Lucchini RS on the basis of service contracts;
- any other document of the Company that regulates activities falling within the scope of the Decree and Italian L. 190/2012.

It is also expressly forbidden to behave in a manner contrary to the provisions of the regulations in force.

The rules of behaviour must be complied with by the Recipients of the Model and by the subjects who provide services to the Company based on the provisions of formalised intra-group service contracts. Model 231, together with this Special Part and the Code of Ethics of the Company, also applies, within the limits of the existing relationship, to those who, although not belonging to the Company, operate under its mandate or on its behalf or are in any case bound to the Company by relevant legal relationships for preventing crimes.

G.3 "Sensitive Activities" for the purposes of Italian L. 190/2012

The analysis of company processes, carried out during the updating of this Model 231 with risk assessment and weighting methodologies consistent with the provisions of the National Anti-Corruption Plan, made it possible to identify the activities within which the types of offences referred to in Italian L. 190/2012 could theoretically be committed.

In particular, the analysis of the company business made it possible to identify the following risk areas:

Management of relationships with Tax Authorities (Revenue Agency, Guardia di Finanza, etc.) at all levels (central, regional, local.)

In carrying out its core business, the Company maintains relations with Tax Authorities such as the Revenue Agency, the Guardia di Finanza, etc. for the management of tax compliance/declarations (for example, the preparation of the Income Tax Return Form, the ordinary and extraordinary Form

770, the Irap Form, VAT data communication, etc.) and the management of any inspections aimed at ascertaining the correct application of tax regulations.

Management of the obligations relating to the payment of social security and insurance charges

The process in question includes relations with the competent authorities (social security institutions, insurance companies, etc.) and the fulfilment of the obligations related to the administration and management of the fulfilments relating to directors and employees.

Management of relationships with civil servants as part of the inspection and control activities carried out by the Public Administration

The process in question includes the management of inspections (e.g., Revenue Agency, Guardia di Finanza, Customs Agency) and their recording, as well as the acquisition of findings made by the Public Administration.

Management of legal disputes, arbitration and/or management of relations with directors, employees or third parties involved in judicial proceedings

The process in question includes activities relating to the management of disputes in and out-of-court in civil, labour, administrative, tax and criminal law, including the possible management of relations with parties involved in judicial proceedings for which the Company avails itself of the legal support of external law firms and/or consultants.

Management of procurement of goods, services and works

The procurement process involves the purchase of goods and services instrumental to the operation of the Company's business belonging to different product categories.

This sensitive activity does not include the specific stages of the process for the management of consultancy services described in the specific sensitive activity.

Management of consultancy services

The process of management of consultancy services regulates the acquisition of services, in particular: a) administrative and accounting consultancy, b) tax consultancy services, c) corporate and notarial consultancy, d) legal advice, e) ICT consultancy services, f) M&A and strategic/organisational consultancy, g) Compliance and Governance consultancy services, h) other consultancy expenses.

Management of sponsorships and contributions

The company implements sponsorship initiatives in order to promote the image of the company and the Group; the company can also make contributions for purposes consistent with the mission entrusted to it.

Management of equity investments (Italian and foreign)

The process in question includes activities relating to the management of equity investments carried out by the Company both for transactions in Italy and for transactions abroad.

Selection and recruitment of personnel, including personnel belonging to protected categories or whose recruitment is facilitated, and management of the bonus system

The process covers activities related to selection, recruitment of personnel.

Management of financial resources and intra-group transactions

The activities relating to the management of financial resources and intra-group transactions are functional to the performance of activities that include the management of payments (mainly tax and duty payments, insurance, appointments to members of corporate bodies, intercompany services, etc.) and collections (mainly collections from intercompany flows), as well as the management of financial relations with certain subsidiaries of the Lucchini RS Group.

G.4 The control system

The control system, perfected by the Company also on the basis of the indications envisaged by the Confindustria Guidelines and in line with the provisions and objectives of the 2017 National Anti-Corruption Plan, envisages with reference to the sensitive activities identified:

· "general" control principles, present in all sensitive activities;

· "specific" protocols applied to each sensitive activity;

· rules of behaviour and control principles instrumental to the observance of these regulations.

General control principles

The general control principles to be considered and applied with reference to all the sensitive activities identified are as follows:

· **Procedures/Regulations/Service Orders**: business provisions and formalised procedures fit for providing principles of behaviour, operating methods for carrying out sensitive activities as well as methods for filing important documents.

· **Traceability**: ex post *verifiability* of the decision-making, authorisation and carrying-out process of the sensitive activity, also by means of special documentary evidence and, in any case, detailed rules on the possibility of deleting or destroying registrations made.

· **Segregation of activities**: separation of activities in such a way that no one can independently manage the whole course of a process.

· **Powers of authorisation and signature**: consistent with the assigned organisational and managerial liabilities, (providing, if necessary, indications of the approval thresholds of expenses) and clearly defined and known inside the Company.

The general control principles set out in the previous point envisage the formation of specific control protocols that establish:

a) that all operations, training and implementation of the Company's decisions comply with the principles and requirements contained in the provisions of the law, the Code of Ethics and the Company's procedures;

b) that the business provisions fit for providing principles of behaviour, operating methods for carrying out sensitive activities as well as methods for filing important documents must be defined and adequately communicated;

c) that for all operations:

- management, coordination and control liabilities within the company, as well as the levels of hierarchical structure and the description of the related liabilities are formalised;
- the stages of formation of the deeds can always be documented and reconstructed;
- the authorisation levels for the preparation of deeds are always formalised and documented, in order to guarantee the transparency of the choices made;
- the Company must adopt instruments for the communication of the powers of signature granted;
- the allocation and exercise of powers in a decision-making process must be consistent with positions of responsibility and with the relevance and/or critical aspects of the underlying economic transactions;
- there is no subjective identity between those who take or carry out the decisions, those who must give accounting evidence of the decided transactions and those who are required to control them as envisaged by law and by the procedures contemplated by the internal control system;
- any access to the Company data must comply with Regulation (EU) 2016/679 (GDPR) as amended and supplemented, also with regard to regulations;

- only authorised persons are allowed to have access to and intervene on the data of the Company;
- confidentiality in the transmission of information must be guaranteed;
- documents concerning the formation of decisions and their implementation are filed and stored by the competent function in such a way as to prevent any subsequent amendment except with appropriate evidence. Accessing documents already filed is restricted to persons authorised by internal regulations as well as to the Board of Statutory Auditors, the Auditing Company and the Supervisory Body.

Specific control principles

The following is a list of the additional control principles identified, also for the purposes of dealing with the risks of corruption, for the specific sensitive activities found.

Management of relationships with Tax Authorities (Revenue Agency, Guardia di Finanza, etc.) at all levels (central, regional, local.)

- Procedure:

The management of relations with the Tax Authorities must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, of this Model and of the Policies and procedures adopted by the Company in the management of general accounting and in the management of service contracts.

Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

Communications with Tax authorities relating to compliance with and payment of taxes concern, by way of example but not limited to:

- corporate income tax (IRES);
- Italian regional business tax (IRAP);
- VAT;
- authentication duty of company books;
- annual fee to the Chamber of Commerce.

For the management of inspection activities by the authority, reference should be made to the protocols for the control of sensitive activities "*Management of relations with officials of the Public Administration*" and for the management of activities involving the use of external professionals,

reference should be made to the control protocols of the sensitive activity ”*Management of consultancy services*”.

For further details on the procedures in force, reference should be made to the rules of behaviour identified in paragraph A.2 of Special Part A - "Offences against the Public Administration, against the Administration of Justice".

- *Traceability:*

The standard requires that the main stages of the process in question must be properly documented and filed at the competent offices and that instructions be prepared for managing the filing of process documents to ensure timely access and safe storage, with the requirement not to arbitrarily delete or destroy the filed documents. In particular, the activities involved in preparing the declarations, the correspondence with any third parties, the declarations sent to the tax authorities and the relative receipts for electronic transmission are properly tracked.

Moreover, for inspection activities, the protocol envisages that the Person in charge of the inspection must prepare a specific report on the verification / investigation started by the Authority, to be updated in relation to the development of the investigation itself and its outcome to be sent to the Supervisory Body as well as to the other competent functions in relation to the matter dealt with.

- *Segregation:*

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties.

The decision-making and authorisation activities of the processes pertain to the Authorised Body of the Company, while the operational stages of the process are managed by the area managers and by the competent functions and subjects.

In particular, an adequate separation of management, control and supervision activities is established within the following stages of the process: calculation of taxes, audit by external professionals, preparation of tax returns, control and sending to the entity.

- *Powers of attorney and proxies:*

The requests and contracts must be signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies.

The activities must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern and that only the subjects with special

proxies are authorised to represent the Company with public entities, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to public entities are formally delegated to carry out such activities.

The Delegated Party is granted specific power to represent the Company in all its relations with the tax, financial, customs, administrative and legal offices of the State and of the dependent administrations, with local public bodies and with state-controlled bodies, with the power to request authorisations and licences, submit requests and complaints, file petitions and reports, make complaints and appeals against any measure taken by the aforementioned authorities and offices and sign the relevant documents, and in general carry out all actions with regard to the aforesaid offices and bodies.

Management of the obligations relating to the payment of social security and insurance charges

- *Procedures:*

The management of the obligations relating to the payment of social security and insurance charges must be carried out in compliance with current regulations and must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model and the Policies and procedures adopted by the company or by external subjects that provide services to Lucchini RS.

Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

Within this process, roles, responsibilities and control activities are defined in order to ensure the fairness, transparency and traceability of the main relations with the Public Administration.

In particular, the intra-group services contract between the parties must envisage roles, responsibilities and related timeframes, concerning the activity in question and the commitment to respect the principles of organisation and management suitable for preventing the commission of the offences pursuant to Lgs. D. 231/2001 by the trustee company.

- *Traceability:*

All stages of the process for the preparation of documents relating to the management of the social security, insurance and welfare treatment of any employees (managers and non-managers, directors), with a special attention to those relating to the calculation and payment of charges, are adequately tracked and documented with the filing of important documents in the Human Resources

Department. The instructions are prepared for managing the filing of the process documents that ensure timely access to documents and safe storage, with the requirement not to arbitrarily delete or destroy the filed documents. Moreover, the process is managed through management systems that guarantee traceability of the flows between the Company and the companies controlled by Lucchini RS, as part of service contracts.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. The procedure must envisage adequate segregation between i) the subjects who deal with the operational activities of preparing and presenting the documents, ii) the subjects who examine in advance and authorise the requirements, iii) the subjects who authorise the sending of the documents and communications to the Public Administration.

- Powers of attorney and proxies:

The requests and contracts are signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies.

The activities of the process must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern and that only the subjects with special proxies are authorised to represent the Company with third parties, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to third parties are formally delegated to carry out such activities.

Management of relationships with civil servants as part of the inspection and control activities carried out by the Public Administration

- Procedure:

The activities of the process of managing relations with civil servants as part of the inspection and control activities carried out by the Public Administration must be based on utmost fairness and transparency, in compliance with the Code of Ethics, this Model and the Policies and procedures adopted by the company or by external subjects that provide services to Lucchini RS.

Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

The activity is carried out on the basis of established practice and can be regulated in the following stages:

- **Stage 1 - Inspectors' access**: for which it is envisaged that the person in charge of receiving the Inspectors clarifies the content of the visit and notifies the Authorised Body or subject delegated by it (by power of attorney) who identifies the persons responsible for managing the inspection itself;
- **Stage 2 - Management of the inspection**: the Person in charge of managing the inspection, who may formally delegate internal third parties or other expressly identified parties, supports the inspectors and makes available what is required to carry out the audit;
- **Stage 3 - Request for documents and material delivery**: the Person in charge of managing the inspection produces the required documents or takes action to ask the other competent functions for the required documents. The data and information provided will be checked by the respective Function Managers who ensure their fairness, truthfulness and updating. These documents are sent in paper form or by email to the Person in charge of managing the inspection;
- **Stage 4 - Conclusion of the inspection and issue of the report**: The inspection report issued by the inspectors at the end of the audit is signed by the Authorised Body or subject delegated by it (by power of attorney);
- **Stage 5** – **Preparation of reports with the results of inspection visits**: the Authorised Body, with the support of the competent functions, guarantees the filing of the minutes of the inspections. As part of its information duties, it sends a periodic summary report on the inspections it has received, indicating any critical issues that have emerged during the course of the audits/inspections/assessments, and transmits them to the Supervisory Body of the Company.

- *Traceability:*

All stages of the process must be properly documented by filing, in paper and/or electronic form, in a manner that ensures timely access to documents and safe storage, with the requirement not to delete or destroy the filed documents.

In particular, all the relevant documents underlying the management process of the inspections and any minutes produced by the entities are filed (in paper and/or electronic form) with the competent functions. The activity carried out during the inspection and the outcome of the inspection are documented in the report drawn up by the inspection body and signed by the Authorised Body or subject delegated by it (by power of attorney).

- *Segregation:*

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. The decision-making and authorisation activities of the processes pertain to the Authorised Body of the Company, while the operational phases of the process are managed by the area managers and by the functions of the Company.
In particular, adequate separation of management, control and supervision activities must be ensured within the stages of the management processes of inspections and inspectors, and of the acknowledgement of inspection reports.
Moreover, where possible, also taking into account the structures involved based on service contracts, the presence of at least two people during meetings with the Public Administration or with persons qualified as public officers is envisaged.
- Powers of attorney and proxies:
The activities must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern. The subjects with special proxies are authorised to represent the Company with public entities, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to public entities are formally delegated to carry out such activities.
The requests and reports are signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies. In general, the Authorised Body has the power to represent the company vis-à-vis third parties and in court, with the power to appoint proxies.

Management of legal disputes, arbitration and/or management of relations with directors, employees or third parties involved in judicial proceedings

- Procedures:
The activities of the process of managing relations with civil servants and with third parties as part of the management of disputes must be based on utmost fairness and transparency, in compliance with the Code of Ethics, this Model and the Policies and procedures adopted by the company.
Moreover, business procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

The process of managing disputes in and out-of-court is carried out according to business practices. Legal support activities when managing disputes in and out-of-court can involve the functions of the Company and/or external law firms entrusted with tasks in accordance with the procedures for professional services and the pro tempore powers of authorisation in force.

Persons in charge of operating processes are required to promptly inform the Company's Authorised Body of the occurrence of potential disputes, the receipt of notifications and/or letters of contestation, verbal or written requests from external subjects, providing all the information required for the assessment of the specific circumstances.

The Authorised Body, possibly using external lawyers or the Legal Department of Lucchini RS, examines the situation, indicating in advance the areas of reference (e.g.: civil, business, labour, tax, penal law) to the functions in charge of the process involved.

Regulation of civil, administrative and penal dispute: the standard requires that the process in question be managed on the basis of specific regulatory and organisational documents. Specifically, these activities are regulated according to the following classification:

Management of civil and administrative dispute, which involves the following stages:

- activation of litigations involving claims and counterclaims;
- assignment to the internal lawyer/appointment of the external lawyer/arbitrator;
- operational management of litigation;
- operational verification of the service supplied by third parties.

Management of the following criminal cases:

- litigation against employees, if any
- litigation for offences against the Company (pursuant to Lgs. D. 231/2001);
- other criminal disputes;
- management of reporting on disputes.

Regulation of tax dispute: the standard envisages that the process in question be managed on the basis of specific regulatory and organisational documents. Specifically, the management of tax disputes is divided into:

- receipt and analysis of notifications to the Tax Authorities;
- assessment of the opening of the dispute or acceptance of requests from the tax authorities;
- in the event of opening of dispute, assessment of the entrustment and appointment of the external consultant;

- operational management of litigation.

The procedure for the involvement of external legal advisors specialised in the subject matters of the dispute is managed and coordinated by the Authorised Body, which can avail itself of the support of external legal functions or of the Company's Legal Department. The Company's Authorised Body appoints the external legal advisors and defines and signs the contracts and/or letters of appointment to the identified legal advisors.

When managing the case, the Authorised Body and the functions involved in the management of disputes provide all the supporting documents to external legal advisors, in addition to monitoring the progress of the proceeding. The Authorised Body reports on developments in disputes to the Company's administrative and control bodies and to the relevant function managers in the specific circumstances.

The services provided by external legal advisors is controlled by the Authorised Body of the Company, possibly with the help of the functions of the Company from time to time involved in the management of disputes, as part of their activities of monitoring the progress of proceedings/litigations.

In the case of assignments to external lawyers/consultants, entrusting the task to the professional and authorising the payment of the relevant invoices must comply with the provisions of the Sensitive Activities "Management of consultancy services" and "Cash flow management".

The letter of assignment must contain, where possible, the applicable tariff level and the preliminary estimate of the fees of the lawyer/external consultant. In particular, the process must envisage a check to be carried out on the manner in which the assignment is carried out by the lawyer/external consultant and on the suitability of the invoice issued prior to its payment.

Moreover, the letter of appointment to the external professional must contain a specific clause whereby the consultant declares that he/she is aware of the content of Lgs. D. 231/2001 and undertakes to refrain from any behaviour likely to constitute the offence referred to in the Decree (apart from actually committing the crime or its liability to punishment): failure by the consultant to comply with this commitment is considered a serious breach and reason for termination of the contract pursuant to Article 1453 of the Italian Civil Code.

Finally, the Company's Authorised Body is required to immediately inform the Company's Supervisory Body as soon as it becomes aware of criminal proceedings involving the Company with reference to an offence referred to in Lgs. D. 231/2001. Moreover, the Authorised Body, with the

support of the Company's Legal Department, is required to provide periodic disclosure to the Company's Supervisory Body on potential, ongoing and closed disputes.

- *Traceability:*

The standard requires that the main phases of the process be properly documented and filed, that the process that led to the activation of the dispute, to its operational management and any outsourcing to third parties be traceable; the standard requires that instructions must be prepared for managing the filling of the process documents that ensure timely access and safe storage, with the requirement not to arbitrarily delete or destroy the filed documents.

- *Segregation:*

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. In particular, an adequate separation of management, control and supervision activities is established as part of the activities of preparing documents for the management of disputes, supporting documents and checking such documents and authorising them.

The phase of defining the strategies for the management of disputes, coordinated by the Authorised body of the Company, envisages the involvement of the Company's functions (Legal Department, Administration, Human Resources Department, etc.).

Finally, the phases of management of disputes, verification of the services of external legal advisors and control of the services invoiced by the latter are suitably confirmed by the various functions in charge of managing the process.

- *Powers of attorney and proxies:*

The activities must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern. The subjects with special proxies are authorised to represent the Company with public entities, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to public entities are formally delegated to carry out such activities.

Management of procurement of goods, services and works

- *Procedures:*

The management of procurement of goods and services must be carried out in compliance with current regulations and must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model and the Policies and procedures adopted by the company, in particular, compliance with the protocol on "Procurement of Goods and Services". Moreover, business procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

In providing services to its Subsidiaries, Lucchini RS must adopt uniform criteria and methods for the selection and qualification of suppliers. The stages of the internal qualification process and the levels of certification required vary according to the different categories of supplies.

The regulations of the screening and management process of suppliers of goods and services requires, among other things, the adoption of the following specific protocols:

- use of objective, transparent and verifiable criteria for the formulation of needs;
- identification of counterparties in compliance with the principles of transparency and traceability and according to criteria based on technical/economic and/or strategic reasons;
- checking the commercial and professional reliability, as well as the integrity requirements of the suppliers (for example, through ordinary reports at the Chamber of Commerce to check the consistency of the activities carried out with the services requested by the Company)
- selection of suppliers based on their ability to offer in terms of quality, costs and sustainability standards, with a special reference to respect for human rights and workers' rights, the environment, and the principles of lawfulness, transparency and integrity in business (this accreditation process must envisage high quality standards that can also be found through the acquisition of specific quality certifications by it);
- prohibition to carry out commercial and/or financial transactions with counterparties involved in investigations by legal authorities for predicate offences pursuant to Lgs. D. 231/01 and/or reported by European and international organisations/authorities responsible for the prevention of terrorism, money laundering and organised crime offences;
- prohibition to establish contractual relationships with counterparties who are based or reside or have any connection with countries considered non-cooperative in that they do not comply with the standards of international laws and the recommendations expressed by FATF-GAFI (Financial Action

Task Force against Money Laundering) or that are included in the reference/limitation lists (so-called "Black Lists") of the World Bank and the European Commission;

- use of competitive procedures among several suppliers and formalisation of the decision-making process and the reasons that led to the choice of the supplier;
- signing of the agreement with the counterparty carried out in compliance with the Company's current system of powers of attorney and proxies, in compliance with the Purchase Conditions defined by Lucchini RS and in compliance with the national regulations in force;
- formalised and transparent procedures for the management of exceptions to the standard procedures, in any case in compliance with and within the limits of the regulations envisaged by the Policies adopted by the Company;
- reporting mechanisms and tools (request to the supplier/consultant of reports relating to the progress report of the activity carried out; inclusion in the statement of only costs for which the relevance has been checked at the date of preparation of the report/state of work in progress, checks to verify the compliance of the supply or service with what is defined in the purchase order as well as to make sure that the supplier's invoice corresponds to the amount actually received by the Company) that provide precise evidence of the contents and value of the activities carried out and the costs

incurred by suppliers;

- payment of supplier invoices subject to the production by suppliers of self-certifications attesting to the regularity of contributions, social security and insurance for personnel employed in the performance of contracts;
- prohibition of cash payments and in any case payments must be made as part of appropriate administrative procedures, which document the traceability of the expenditure.

Finally, the contracts with suppliers must provide for the formalisation of specific clauses whereby:

- the suppliers declare that they are aware of the content of Lgs. D. 231/2001 and undertake to refrain from any behaviour likely to constitute the offence referred to in the Decree (apart from actually committing the crime or its liability to punishment): failure by the supplier to comply with this commitment is considered a serious breach and reason for termination of the contract pursuant to Article 1453 of the Italian Civil Code;
- suppliers undertake to comply with the Code of Ethics and Model 231 adopted by the Company and declare that they have never been involved in judicial proceedings relating to the offences envisaged

in the Company's Model itself and in Lgs. D. 231/01 (or if they have been involved, they must however declare it for the purposes of greater attention by the Company in the event of the establishment of the contractual relationship). This can be a mutual commitment if the counterparty has adopted its own similar code of ethics and Model 231.

With regard to consultancy, reference should be made to Sensitive Activities "*Management of consultancy services*".

With reference to the activities of administrative and accounting reporting as part of the process of managing suppliers, reference is made to the activities and controls envisaged in the sensitive process "Offence of self-money laundering", while for the process of recording and managing payments, reference is made to the "Management of monetary and financial resources" protocol. For further details on current procedures, reference should be made to the description of the specific control principles envisaged for the sensitive activity "Management of procurement of goods and services" identified in paragraph A.2 of the Special Part - "Offences against the Public Administration".

- *Traceability:*

The procedures adopted by Lucchini RS as part of intercompany services provided to subsidiaries identify the specific documents required to ensure the traceability of all stages of the process of selection and management of suppliers of goods and services, as well as the business functions required to ensure the proper filing of important documents.

All stages of the procurement process must be properly documented by filing, in paper and/or electronic form, the purchase documents (e.g. RdA, OdA, Orders/Contracts, etc.) and filed with the competent departments, in a manner that ensures timely access to documents and safe storage, with the requirement not to delete or destroy the filed documents.

- *Segregation:*

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. The procedure must envisage adequate segregation between i) functions expressing supply requirements, ii) functions that examine in advance and authorise the requirements, iii) functions that manage the procedures for selecting suppliers, iv) functions that sign contracts and authorise orders, v) functions that certify the proper carrying out of services and/or delivery of goods through acceptance, vi) functions that, under the existing delegated powers, authorise payments.

Moreover, the procedure must envisage the application of precise mechanisms of segregation of duties to the investment and procurement processes through the adoption of authorisation levels and limits for the phases of expression and approval of requirements, negotiation and signing of contracts, issue of purchase orders.

- *Powers of attorney and proxies:*

The requests and contracts are signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies. Moreover, the standard requires that the activities of the process must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern and that only the subjects with special proxies are authorised to represent the Company with third parties, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to third parties are formally delegated to carry out such activities.

Management of consultancy services

- Procedure:

The management activities of consultancy services must be based on utmost fairness and transparency, in compliance with the Code of Ethics, this Model 231 and the Policies and procedures adopted by the company. Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

With regard to the selection and assignment of tasks, the process of acquiring consultancy must be carried out in accordance with objective and transparent criteria, which require compliance with the following minimum requirements:

- a competitive selection mechanism involving the identification of several alternative proposals must be put in place;
- a selection process must be implemented, including checks on potential consultants;
- formalisation of the decision-making process and of the reasons that led to the choice of the supplier (e.g. market analysis or use of qualified suppliers, analysis and comparison of offers received);

- separation of duties between those who sign contracts/orders with suppliers and those who control their operations, with the involvement of functions that are hierarchically independent of each other;
- finally, the contracts with suppliers must be drawn up in writing and must provide for the formalisation of specific clauses whereby: (i) the consultant declares to be aware of the contents of Lgs. D. 231/2001 and undertakes to refrain from any behaviour likely to constitute the offence referred to in the Decree (apart from actually committing the crime or its liability to punishment): failure by the supplier to comply with this commitment is considered a serious breach and reason for termination of the contract pursuant to Article 1453 of the Italian Civil Code; (ii) the consultant/supplier undertakes to comply with the Code of Ethics and Model 231 adopted by the Company and declare that they have never been involved in judicial proceedings relating to the offences envisaged in the Company's Model itself and in Lgs. D. 231/2001 (or if they have been involved, they must however declare it for the purposes of greater attention by the Company in the event of the establishment of the contractual relationship). This can be a mutual commitment if the counterparty has adopted its own similar code of ethics and Model 231;
- the management of the relationship with consultants includes mechanisms and reporting tools that provide precise evidence of the contents and value of the activities carried out and the costs incurred by them;
- payments are made only on condition that the services have been rendered or that the conditions laid down in the contract relating to the payment of the consideration have been met;
· methods for handling and tracking exceptions to the standard procedure (for example, reason/approval of possible exceptions for purchases without competitive bidding and/or during emergency).
- Traceability:
All stages of the procurement process must be properly documented by filing, in paper and/or electronic form, documents attesting to the proper management of the purchasing process, the assessments made on the suppliers and the checks on state of work in progress, in a manner that ensures timely access to documents and safe storage, with the requirement not to delete or destroy the filed documents.
The subjects involved in the management of consultancy services ensure, each for what of direct concern, the traceability of the data and information and store and file the documents produced and the actions undertaken.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties.

- Powers of attorney and proxies:

The requests and contracts are signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies. Moreover, the standard requires that the activities of the process must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern and that only the subjects with special proxies are authorised to represent the Company with third parties, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to third parties are formally delegated to carry out such activities.

Management of sponsorships and contributions

- Procedures:

Sponsorships or contributions must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model 231 and the procedures adopted by the company. Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

The process concerns the relations that Lucchini RS has with public bodies, associations, foundations, as well as with entities or events in any way related to them, with regard to:

- sponsorships: contributions in favour of an activity or an event whose purpose is to promote the image and activities of the Company;
- economic contributions: payment of sums for initiatives aimed at achieving purposes consistent with the values expressed in the Code of Ethics.

The selection of initiatives to be supported must be made on the basis of the following considerations:

- consistency of the intervention with the policies and general guidelines laid down by the Company; the quality of the project or initiative;

- publicity and visibility (in the media, in the sector of interest) and revaluation of the initiative in terms of promoting the image of the Company and the Group.

Finally, in order to avoid any possible situation of conflict of interest, it is not allowed to:

- personally promise or pay amounts, promise or grant goods in kind or other benefits to civil servants, representatives of political forces as well as associations holding interests with the aim of promoting or favouring the interests of the Company, also as a result of internal or external requests;
- avoid the aforesaid requirements resorting to different kinds of helps or contributions that, covered as sponsorships, assignments, consultancy, advertising, etc., aim at the same purposes not allowed above;
- directly or indirectly offer money, gift or any kind of benefits on a personal basis to managers, officials or employees of customers, suppliers, Public Administration bodies, Public Institutions or other Organisations in order to obtain advantages; actions of commercial courtesy, such as free gifts or forms of hospitality, are allowed, provided of low value and such as not to compromise the integrity and reputation of one of the parties and not to influence the independence of judgement of the recipient;
- grant sponsorships or contributions to the subjects indicated in the Lists of Reference (www.bancaditalia.it/UIF/terrorismo/liste), issued by the public authorities on combating organised crime, terrorism and money laundering.

Moreover, the signing of agreements regarding sponsorship initiatives or the payment of contributions must comply with the following general conditions:

- if the Company has expressly envisaged active collaboration in the management of the activities or initiative, the responsibility and duties of the competent Functions must be regulated by specific regulations;
- all subjects who receive from the Company grants by way of sponsorship or contribution for the carrying-out of activities and initiatives, are required to make the acts and other means of promotion show the contribution of the Company.

For further details on the procedures in force, reference should be made to the description of the specific control principles envisaged for the sensitive activity "Management of gifts, presents and sponsorships" identified in paragraph A.2 of the Special part - “Offences against Public Administration” and relevant protocol 231.

- Traceability:

All stages of the process must be properly documented by filing the documents, in paper and/or electronic form, in a manner that ensures timely access to documents and safe storage, with the requirement not to delete or destroy the filed documents.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. In particular, an adequate separation of management, control and supervision activities is established as part of verification of the opportunities for authorisation of sponsorships and contributions and their disbursement.

Sponsorship requires authorisation from the Authorised body of the Company and/or the Board of Directors.

- Powers of attorney and proxies:

The requests and contracts must be signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies. The standard requires that the activities of the process must be carried out in compliance with the provisions of the internal system of proxies for the attribution of powers of representation and corporate signature and of the internal system of proxies for the performance of the activities of direct concern and that only the subjects with special proxies are authorised to represent the Company with public entities, in compliance with the limits of internal authorities, and that the subjects authorised to carry out activities in relation to public entities are formally delegated to carry out such activities.

Management of equity investments (Italian and foreign)

- Procedure:

The management of the Company's equity investments is carried out in compliance with the Code of Ethics, this Model and the Policies and Procedures adopted by the Company.

Procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

In particular, the Merger & Acquisition operations are one of the tools through which Lucchini RS pursues its objectives of growth of the company value.

Considering the importance of the resources invested and the risk/opportunity variables to be managed, Lucchini RS defines the organisational and procedural rules of reference to facilitate the balanced pursuit of the objectives of "growth" and "protection" of the company value.

In particular, these rules must be based on the following principles:

- alignment of operations with the strategic objectives approved by the Company's Board of Directors;
- effectiveness and efficiency of the process in all its phases;
- transparency and traceability of the related company business.

The practices and procedures regulate the roles, responsibilities and methods of management and control of all Merger and Acquisition operations of Lucchini RS.

The Company bodies involved in the process of managing equity investments are:

- Shareholders' Meeting of the Company
- Administrative body of the Company;
- Authorised body of the Company;

The process is carried out with the support of the competent functions of the company and, where deemed necessary, with the support of independent external consultants. The process of management of consultancy services is carried out in compliance with the sensitive activity "*Management of consultancy services*".

All activities relating to the management of equity investments must be expressly approved by the Company's Authorised Body and, where required by law or the Articles of Association, also by the Board of Directors.

Specific information flows, including the holding of specific meetings, duly formalised, must be defined and implemented with regard to the internal and external control bodies of the Company (Board of Statutory Auditors, Auditing Company, Supervisory Body) in order to allow them to carry out the supervisory and control tasks assigned to them by the regulations.

As part of this process, through the competent functions of the Company's Administrative and Legal Department, they support the Company's Authorised body for what concerns the technical and regulatory aspects of the company's specific duties.

If external specialised professionals are used to carry out the obligations related to company operations, the procedure for the involvement of external consultants must also be carried out in compliance with the control protocols envisaged by the sensitive activity "*Management of consultancy services*" of this Model.

- Traceability:

All stages of the procurement process must be properly documented by filing, in paper and/or electronic form, documents concerning the management of equity investments and documents concerning all the main decisions, showing those who made the decisions and why, in a manner that ensures timely access to documents and safe storage with the requirement not to delete or destroy the filed

documents.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties. Procedures and practices must include adequate segregation between i) the subjects proposing the transactions ii) the subjects carrying out the technical and feasibility evaluations of such operations, iii) the subjects who supervise the fairness of these operations and iv) the subjects who authorise/decide such operations.

The activities relating to the Management of equity investments are carried out in accordance with the principle of segregation of duties between the bodies and functions involved in the authorising, executive and control phases. The preparation of the relevant documents is carried out by the Authorised body with the support of the competent functions.

- Powers of attorney and proxies:

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, without any exception, and in particular it is acknowledged all the powers for the achievement of the company purposes that are not mandatorily reserved by law or by the Articles of Association to the shareholders' meeting.

Selection and recruitment of personnel, including personnel belonging to protected categories or whose recruitment is facilitated, and management of the bonus system

- Procedures:

The personnel management activities must be based on utmost fairness and transparency, in compliance with the Code of Ethics, this Model 231 and the Policies and procedures adopted by the company. The process of selection and recruitment of personnel is developed ensuring

compliance with the principles of transparency, fairness and timeliness, in line with quality, environment and safety, with the indications provided for in the Organisational, Management and

Control Model pursuant to Lgs. D. 231/2001 and with the rules of behaviour referred to in the Code of Ethics.

Recruitment procedures from both inside and outside the company comply with the following principles:

(a) adequate publicity for the selection of personnel and the way in which it is carried out,

b) adoption of transparent mechanisms, suitable for checking the possession of the aptitude and professional requirements in relation to the position to be held;

c) respect for equal opportunities between female and male workers;

The Company is required to apply all other current law provisions regarding compulsory placement and employment protection in favour of certain categories of persons (e.g. mobility, disabled persons, etc.), as well as to implement the regulatory provisions.

For further details on the procedures in force, reference should be made to the description of the specific control principles envisaged for the sensitive activity "Personnel Selection" identified in paragraph A.2 of the Special Part “Offences against the Public Administration, against the Administration of Justice” and protocol 231 “Personnel selection and management”.

- Traceability:

All stages of the procurement process must be properly documented by filing, in paper and/or electronic form, documents attesting to the proper management of the selection, recruitment and promotion process, in a manner that ensures timely access to documents and safe storage with a requirement not to delete or destroy the filed

documents. All documents relating to each selection process, including the analysed curricula, the assessments made and the results of the process, are kept by the Human Resources Department.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties.

Protocol 231 "Personnel selection and management" defines roles and responsibilities as part of the personnel selection process.

- Powers of attorney and proxies:

Employment contracts must be signed by the subject with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies.

Management of financial resources and intra-group transactions

- Procedures:

The management of financial resources and intra-group transactions must be carried out in compliance with current regulations and must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model and the Policies and procedures adopted by the company as part of service contracts. Moreover, procedures and practices must include in particular: (i) segregation of duties; (ii) definition of the roles and responsibilities of the subjects involved; (iii) the regulation of the stages of the activity; (iv) the methods for filing important documents.

The Company defines the policies and procedures for the management of cash inflows and outflows, the management of intra-group transactions and operates directly with credit institutions through suitably authorised subjects. Payments are made from and to current accounts in the name of the Company by the Authorised bodies or by duly authorised subjects.

It is forbidden to:

- execute payment orders to subjects that cannot be identified, not present in the registry or if not insured, after carrying out checks when opening/changing the system registry, full correspondence between the name of the supplier and the account name on which to receive the payment;
- accept collections from subjects that cannot be identified (name, address and current account number);
- accept collections from subjects that are not present in the registry unless they are justified by the presence of a receivable in the accounts or supported by adequate documents;
- make payments to encrypted accounts and receive payments from encrypted accounts;
- use credit institutions without offices (virtual banks);
- accept the following methods of payment:

  - cash;
  - post orders, traveller’s check and bearer securities;
  - different payment methods for paying a single invoice;
  - payments through money exchange, unless such subjects are authorised by foreign government agencies to carry out international currency transactions;
  - cash cheques, banker's drafts and bank transfers from unidentified subjects;
  - third-party cheques or cheques drawn on accounts in the name of third parties not uninvolved in the business relationship in place.

In the circumstances in which a counterparty proposes or uses one of the above forms of payment, the Administrative Department must be informed without delay, possibly before receipt of the payment and in any case before recording the payment on the customer account opened in the administrative accounting system. The Administrative Department will assess whether the proposed forms of payment are acceptable in relation to the specific circumstances, as well as the possible need for notification to the relevant government authorities. If the form of payment is approved by the above function, the reasons that led to that conclusion must be adequately documented. Furthermore, regardless of the form of payment, if a suspicious payment or an alert emerges during the transaction, the transaction must not be completed and the Administrative Department and, in particular, the Finance and Treasury Manager of Lucchini RS must be informed immediately.

Finally, the company functions responsible for managing relations with customers and suppliers and for managing financial resources must adopt the following specific control protocols:

- checking the regularity of payments/collections, with reference to the coincidence between payees/payers and counterparties actually involved in the transaction;
- formal and substantial controls of the company financial flows with reference to payments to third parties and to intra-group payments/transactions. These controls must take into account the registered office of the counterparty company (e.g. tax havens, countries at risk of terrorism, countries included in the Blacklist, etc.), the credit institutions used (registered office of the banks involved in the transactions and banks that do not have offices in any country) and any corporate screens and trust structures used for transactions or extraordinary transactions;
- monthly preparation of bank reconciliations and reconciliations of the balances of intra-group transactions, reviewed and signed for approval by the hierarchical superior.
- Traceability:

The procedures adopted by Lucchini RS in the provision of intercompany services as part of service contracts identify the specific documents required to ensure the traceability of all stages of the management processes of financial flows and intra-group relations as well as the business functions required to ensure the proper filing of important documents.

Decisions relating to strategic and operational finance policies (e.g. taking out or settling loan agreements, opening/closing current bank accounts, etc.) are adequately documented and authorised in accordance with the current system of powers. Payments are authorised in accordance

with the system of powers in force and are traced with adequate supporting documents filed with the competent functions.

- Segregation:

Activities within the stages of the process must be entrusted to different bodies/functions in order to ensure adequate segregation of duties.

In particular, the Policies and Procedures adopted by Lucchini RS in the provision of intercompany services as part of service contracts envisage the application of precise mechanisms of segregation of duties relating to investment, procurement and payment authorisation processes through the adoption of authorisation levels and limits for the phases of expression and approval of requirements, negotiation and signing of contracts, issue of purchase orders and payment of invoices payable.

Payment orders can be signed only by the authorised bodies and/or any attorneys in fact of the Company specifically authorised.

- Powers of attorney and proxies:

The requests and contracts are signed by the subjects with the power to commit the Company towards the outside world in compliance with the current system of powers of attorney and proxies. Only subjects with a specific power of attorney are authorised to make financial movements and authorise payments. The company adopted a system of powers of attorney that assigns powers to certain subjects in relation to banking and financial transactions, collections and receipts.

G.5 Training

The Recipients of Model 231 are required to:

i) become aware of the principles and contents of Model 231;

(ii) know the operating methods with which their activities must be carried out.

iii) actively contribute, in relation to their role and responsibilities, to the effective implementation of Model 231, reporting any shortcomings found in it;

(iv) take part in training courses geared to their position.

For the purposes of the Measures to Prevent Corruption, some of the mandatory contents of the training measures for the recipients are listed below:

- analysing the main contents of Italian L. 190/2012 and of Italian Legislative Decree 33/2013 as amended;

- analysing the Measures to Prevent Corruption and the Code of Ethics;

- illustrating the adopted risk containment measures (Regulations, Protocols, etc.);
- reference to the disciplinary consequences related to the violation of the Measures and/or to behaving unlawfully;
- illustrating roles and responsibilities assigned to the various subjects involved.

In order to ensure an effective and rational communication activity, the Company promotes and facilitates the knowledge of the contents and principles of the Model by the Recipients, with different levels of detail depending on their position and role.

Appropriate communication tools are adopted to update the Recipients about any changes made to the Model, as well as any significant procedural, regulatory or organisational changes.

The Human Resources Department, in coordination with the Supervisory Body, promotes all training activities that it considers appropriate for the correct information and awareness in the company of the issues and principles of this Special Part of Model 231.

If the Company hires employees, the material used for the training will be sent to the newly hired employees, also by means of IT tools, considering whether to organise specific seminars.

G.6 Obligations to inform the Supervisory Body and to protect the Recipient who reports offences

The Recipients of this Special Part of Model 231 notify the Supervisory Body all useful information to facilitate the carrying-out of the checks on the correct implementation of the Model and this Special Part. If the Recipients find areas for improvement in the definition and/or application of the prevention protocols defined in this Model, they promptly draw up and send to the Supervisory Board a written report with at least the following contents:

- a description of the state of implementation of the prevention protocols of the activities at risk of direct concern;
- a description of the checks carried out with regard to the implementation of the prevention protocols and/or the actions undertaken to improve their effectiveness;
- a reasoned indication of any need to change the prevention protocols;
- any further contents that may be expressly requested, from time to time, by the Supervisory Body.

The Recipients, in accordance with their organisational powers, notify, promptly as required, the Supervisory Body in writing of any information concerning:

- the issue and/or updating of organisational provisions and communications or corporate guidelines and procedures or procedures adopted by the external supplier providing specific outsourced services;
- changes in the responsibility of the functions concerned by the activities at risk;
- the company's system of delegation and powers of attorney and any updates to it.

The Recipients report the commission or alleged commission of offences referred to in the Decree and Italian L. 190/2012, as well as any violation or alleged violation of the Code of Ethics, the Model, and in particular of the Measures to prevent corruption or the procedures established to implement them. The whistle-blowing is processed in accordance with the procedure for processing whistle-blowing, adopted by the BoD (see Annex H “Regulation and management of Whistle-blowing”).

In particular, the SB after receiving the report, ascertains the facts and identifies any responsibilities, possibly listening confidentially to the whistle-blower. Once the investigation has been carried out, it closes the report if the fact is groundless; otherwise, it reports the ascertained facts, except for the identity of the whistle-blower, to the body responsible for imposing the penalty, as per the Disciplinary System of Organisational Model 231.

Suppliers and collaborators of the Company, as part of the activity carried out for the Company, report directly to the Supervisory Body the violations referred to in the previous paragraph based on the clauses indicated in the contracts that bind such subjects to the Company. In order to ensure timely compliance with the provisions referred to in this paragraph, the following emails have been set up: *odvlucchinirs@gmail.com or odv@lucchinirs.com.*

The Company adopts appropriate measures to ensure that the confidentiality of the identity of those who send information to the SB is always guaranteed. In particular, the correct fulfilment of the obligation to provide information cannot give rise to the application of disciplinary penalties: whistle-blowers who are in good faith are guaranteed against any form of retaliation, discrimination or penalisation and in any case the confidential nature of the identity of the whistle-blower is ensured, without prejudice to the legal obligations and the protection of the rights of the Company or of persons accused wrongly and/or in bad faith.

G.7 Information flows to the Supervisory Body

In addition to the information obligations towards the Supervisory Body mentioned above, specific reporting flows of data and/or information relating to the sensitive and instrumental processes identified in this Special Part are defined.

G.8 Transparency requirement

Organisational Model 231 and this Special Part "Measures to prevent corruption" are published on the Company's website to enable third parties to obtain information on the measures adopted to prevent corruption.