



Model of Organisation, Management and Control

Pursuant to Legislative Decree n° 231 of 8 June 2001

GENERAL PART

[APPROVED BY THE BOARD OF DIRECTORS ON 07/05/2018]

REVISION REFERENCE		
Document version	Date	Reason for revision
00	07 May 2018	Adoption MOG 231 - First draft
01	04 Aug 2022	Update

DOCUMENT CONTROL		
Date	Approved by	Signature
04 August 2022	Board of Directors	Luigi Rapullino

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- GENERAL PART -

INTRODUCTION: REVIEW OF THE 231 MODEL

In view of the recent introduction of new “families of offences” in the catalogue of 231 predicate crimes, and also given the corporate and organisational changes occurring subsequent to the date on which this Model was adopted, and in order to ensure that its own 231 Model is appropriate and effective, at the behest of the Supervisory Body, Sideralba S.p.A. has updated this Model, construed as being the new revised, updated version, compared to the previous “Rev. 00 May 2018” Version.

FIRST SECTION

1. LEGISLATIVE DECREE N° 231 OF 8 JUNE 2001

1.1. ADMINISTRATIVE LIABILITY INCURRED BY ORGANISATIONS

Legislative Decree n° 231 of 8 June 2001, governing the “*Regulatory framework on administrative liability incurred by legal entities, companies and unincorporated associations*” (hereinafter “**Legislative Decree 231/2001**” or, simply the “**Decree**”), which came into force on 4 July 2001, implementing article 11 of the Enabling Law n° 300 of 29 September 2000, introduced into the Italian legal system, in accordance with the provisions of European Union rules, the notion of administrative liability as incurred by organisations, where “organisations” means profit-making entities, corporations and partnerships, and associations, including unincorporated associations.

This new form of liability, though defined as “administrative” by the legislator, has certain characteristics which are typical of criminal liability, as the investigation of the offences associated with administrative liability lies with the relevant criminal court exercising jurisdiction, and as the same guarantees provided in criminal prosecution proceedings are also extended to the organisation in question.

The administrative liability incurred by the organisation in question arises when offences are perpetrated, as expressly contemplated in Legislative Decree 231/2001, in the interest of or to the advantage of the organisation itself, by individuals vested with authority to represent, administer or manage the organisation or an organisational unit having financial and functional autonomy, or by individuals who exercise de facto management and control (being known as “*persons in senior management positions*”), or who are subject to the management or supervision of one of the aforementioned entities (being known as “persons reporting to line managers”).

In addition to the existence of the requirements described above, Legislative Decree 231/2001 also requires that the organisation’s guilt be ascertained, in order to confirm liability. This requirement relates to a “*lack of organisational due care*”, meaning failure on the part of the organisation, to adopt preventative measures to thwart the commission of the offences listed in the following paragraph, by those indicated in the Decree.

Should the organisation be able to demonstrate that it has adopted and effectively implemented an organisational system to prevent the commission of such offences through the adoption of the Organisation, Management and Control Model provided for under Legislative Decree 231/2001, the organisation incurs no administrative liability.

It should be specified that the administrative liability incurred by the legal entity is in addition to criminal liability, but does not cancel the liability incurred by an individual who materially perpetrates the offence; both these forms of liability are to be ascertained by the criminal court..

Corporate liability may also be incurred should the predicate offence committed take the form of an attempted offence (pursuant to article 26 of Legislative Decree 231/2001), in other words when the perpetrator engages in actions likely to and unequivocally intended to commit the offence in question, but the action is not completed or the event does not occur.

1.2. THE OFFENCES CONTEMPLATED BY THE DECREE

The offences giving rise to the organisation's administrative liability are those expressly and strictly referred to in Legislative Decree 231/2001 and as subsequently amended.

For the details of the "families of offences" currently included within the scope of Legislative Decree 231/2001, reference must be made to Annex A – List of Offences pursuant to Legislative Decree 231 herein.

1.3. PENALTIES IMPOSED UNDER THE DECREE

The system of penalties introduced by the Decree sets out not only to seize the organisation's assets, but also to affect its operations, prohibiting and/or restricting the conduct of operations in the area in which the offence is committed. More specifically, article 9 contemplates two different types of penalties:

- fines: applicable in all cases of wrongdoing relating to 231, in variable amounts according to the severity of the offence and the organisation's financial state and the scale of its assets;
- disqualification measures: applicable together with the financial penalties, on a temporary basis, in the event of more severe offences or should such offences be repeated, depending on a ranking of severity which contemplates, in decreasing order of seriousness:
- disqualification from carrying on the activity within the scope of which the unlawful act occurs;
- suspension or cancellation of authorisations, licences or concessions serving to commit the unlawful act;
- a prohibition on entering into contracts with the Public Sector, unless done so in order to obtain the provision of a public service;
- exclusion from benefits, loans, contributions or subsidies and possible cancellation of those already granted;
- prohibition on publicising goods or services.
- It must also be emphasised that these disqualification measures also apply on a precautionary basis – in other words prior to the judgement on the merits against the Organisation, provided that there is significant circumstantial evidence regarding the organisation's liability, or the risk that a repeat offence could be committed - with effect from the period when the preliminary investigations are conducted.

In addition, the following ancillary penalties may be imposed:

- forfeiture of the price or the financial gain obtained from the offence, applicable without restrictions and intended to prevent the organisation unjustly profiting from commission of the offence;
- publication of the conviction, to be carried out together with the disqualification measures, in particularly serious cases.

- without prejudice to cases as per articles 12 (reduction in fines) and 26 (attempted offences) entailing a reduction in fines, no liability is incurred by the bodies when they have of their own free will thwarted the action or prevented the event from being carried out.

1.4. EXCEPTIONS TO ADMINISTRATIVE LIABILITY

Article 6 of Legislative Decree 231/2001 lays down that the organisation incurs no administrative liability should it be able to demonstrate that:

- the governing body has adopted and efficiently enacted, prior to commission of the act, Organisational and Management Models which are capable of preventing offences of the type occurring;
- the task of overseeing such operations, compliance with the Models and responsibility for updating same has been delegated to a body within the organisation vested with powers to act on its own initiative and to conduct monitoring (known as a Supervisory Body);
- the persons committed the offence by fraudulently circumventing the ;
- there was no absence of supervision on the part of the Supervisory Body or failure to conduct sufficient supervision.

the organisation from the organisation's administrative organ

With regard to the efficacy of the Model of Organisation, Management and Control to prevent the commission of the offences contemplated by Legislative Decree 231/2001, it must:

- identify the corporate activities in relation to which offences may be committed;
- provide for specific direct protocols and schedule training and implementation of decisions by the organisation on the offences to be prevented;
- identify procedures for managing financial resources to prevent the commission of offences;
- provide for obligations to disclose information to the organisation tasked with overseeing the working of and compliance with the Models;
- introduce a disciplinary system to punish noncompliance with the measures set out in the Model of Organisation, Management and Control.

With regard to the effective application of the Model of Organisation, Management and Control, Legislative Decree 231/2001 requires:

- regular checks and, should significant breaches of the prescriptions laid down by the Model be detected or should any changes be made to the organisational structure or the organisation's operations or in the event of legislative reforms, modification of the Model of Organisation, Management and Control;
- the imposition of penalties in the event of breach of the prescriptions laid down by the Model of Organisation, Management and Control.

1.5. OFFENCES COMMITTED ABROAD

Pursuant to article 4 of the Decree, the organisation may be considered liable, in Italy, for the commission of certain offences abroad. Specifically, article 4 of the Decree provides that bodies whose main place of business is in Italy, are also accountable for offences committed abroad

in those cases and subject to those conditions provided for under articles 7 to 10 of the criminal code, provided that the national authorities in the place where the offence is perpetrated do not initiate legal action against them.

Accordingly, the organisation may be prosecuted when:

- it has its main place of business in Italy, in other words the real headquarters where the administrative and senior management operations are conducted, which may not necessarily be the same as the offices where the company or registered office is based (incorporated organisations), or otherwise the place where the operations are conducted on an ongoing basis (unincorporated bodies);
- the national authorities in the place where the offence is committed are not pursuing action against the organisation;
- the request made by the Minister of Justice, to which prosecution may be subordinated, also refers to the organisation itself.

These rules concern offences committed entirely abroad by senior management figures or persons reporting to line managers. For criminal conduct which has been committed in Italy, even partially, the principle of territoriality applies pursuant to article 6 of the criminal code, under which *“the offence is deemed to have been perpetrated in Italy, when the action or failure to act, which constitutes the offence, occurs either in its entirety or partially in Italy, in other words where the event occurs which is the consequence of the action or failure to act”*.

SECOND SECTION

2. SIDERALBA'S MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

2.1. THE COMPANY'S OBJECTIVES AND MISSION

Sideralba S.p.A., a company belonging to the Rapullino group, is a steel company operating in Italy and internationally. It produces and sells finished products (for example tubes, coils and coil sheets) and semifinished goods and is distinguished by an organisational system which always takes great care to meet the needs of every single client, and to constantly introduce product and process innovations.

Sideralba has chosen to maintain a structure which is based exclusively on family values; indeed, management of the company is predicated on solid, unchanging values representing the cornerstone underpinning corporate strategies and which affect all processes, from production to client relations.

Sideralba is mindful of the need to ensure that its conduct and operations are informed by principles of probity and transparency in order to safeguard its own position and image, its stakeholders' expectations and the work carried out by its own employees. The company is also aware of the need to put in place an updated internal control system to prevent impropriety on the part of its directors, employees and business partners.

To this end, Sideralba S.p.A. has inaugurated a project to analyse its own organisational, management and control tools, designed to guarantee that the principles already adopted to regulate conduct match the aims of the Decree. For this reason, the Model of Organisation, Management and Control is to be updated pursuant to Legislative Decree 231/2001.

Through adopting and updating the Model, the Company wishes to pursue the following goals:

- prohibit conduct which may meet the elements of the criminal offences contemplated by the Decree;
- raise awareness that any breach of the Decree, the prescriptions set forth in the Model and the principles set out in the Code of Ethics, may give rise to penalties (be they fines or disqualification), including against the Company;
- allow the Company to prevent and/or promptly counter the commission of significant offences pursuant to the Decree, thanks to a structured system of protocols and constant monitoring of correct implementation of such system.

2.2. 231 LIABILITY IN GROUPS OF COMPANIES

Legislative Decree n° 231 of 2001 does not contemplate a specific regulatory framework for the eventuality that the offence is perpetrated within a group of companies.

Amongst those indicated by article 1 of Decree 231, as parties subject to the law, no mention is made of groups of companies which *“the legal system considers as a unit solely from a financial perspective. From the legal standpoint, the group lacks independent legal capacity and constitutes a grouping of organisations each vested with distinct legal status. Accordingly, as it is not an organisation, the group cannot be considered a centre incurring criminal liability and cannot be classified amongst those entities covered by article 1 of the 231 Decree”*¹.

This legislative shortcoming has engendered various interpretations and a number of rulings on the merit of the matter which have extended liability to parent companies or to more than one companies in the group, through invoking group interest or the figure of the de facto director.

The possibility that liability pursuant to Legislative Decree 231/2001 may also extend to the holding and to other companies within the group is not contemplated however automatically, solely by reason of the relationship based on control or connection within a Group. The court must explicitly identify and provide the grounds for the existence of criteria whereby subsidiaries are also criminally liable, with regard to establishing liability for unlawful administrative acts (see Supreme Court of Cassation, VI Criminal Division, judgement n° 2658 of 2014).

According to the Confindustria guidelines, holdings may be found liable for offences committed within the scope of subsidiary operations only if:

1. a predicate offence has been committed in the interest of or to the direct advantage not only of the subsidiary, but also of the parent company;
2. the offence has been committed by or conspiring with persons or entities which are functionally linked to the parent company;
3. those referred to in point 2 must have provided a causally significant contribution².

2.3. GOVERNANCE MODEL

The Company's corporate governance based on the traditional Model is structured as follows:

Shareholders Meeting: qualified to pass resolutions at ordinary and extraordinary shareholders meetings on such matters as are allotted to it by law and by the corporate Bylaws;

¹ Confindustria Guidelines June 2021.

² Confindustria Guidelines June 2021.

Board of Directors: the Board of Directors is vested with the broadest powers for administering the Company, with the right to carry out all such acts as may be advisable or necessary to achieve the corporate purpose, excluding such acts as are reserved – by law and by the corporate bylaws – to the Shareholders Meeting;

Audit Committee: tasked with supervising: a) compliance with law and the corporate Bylaws and compliance with principles of proper administration; b) suitability of the Company's organisational structure, the internal control system and the accounts administration system, also with regard to the latter's reliability at correctly recording operations;

Supervisory Body: tasked with supervising the effectiveness and efficacy of the manner in which the Model operates as well as verifying updates and accurate compliance on the part of all those required to abide by the contents of the Model;

Auditing Company: tasked with conducting auditing operations.

2.4. PURPOSE OF THE MODEL

The purpose of this Model is to set up a structured, organic system of protocols and monitoring activities (both preventive and after the event), the aim of which, by identifying "Areas of activity at risk" is to lessen the risk that the offences referred to by Legislative Decree 231/2001 may be committed.

The principles set forth in this Model must, on the one hand, prompt full awareness in the mind of the potential perpetrator of an offence (commission of which is absolutely condemned and contrary to the Company's interests even when, seemingly, the Company may be able to profit from such act); on the other hand, thanks to ongoing monitoring, these principles must allow the Company to react promptly to prevent or impede such offence from being committed.

Thus, amongst the aims of the Model is the development of awareness amongst Employees, Corporate Bodies, Consultants operating on behalf of or in the interest of the Company within the scope of the "Areas of activity at risk" that, in the event of conduct which breaches the provisions of the Code of Ethics and other corporate rules and procedures, they may be engaging in unlawful prosecutable acts incurring criminal liability not only for themselves but also for the Company.

Furthermore, the intention is to actively censure all unlawful conduct through constant monitoring by the Supervisory Body of personal actions in relation to the "Areas of activity at risk"; subsequently disciplinary measures or contractual penalties are to be applied.

Through adopting and updating the Model, the Company wishes to pursue the following goals:

- prohibit conduct which may meet the elements of the offence contemplated by the Decree;
- raise awareness that any breach of the Decree, the prescriptions set forth in the Model and/or the principles set out in the Code of Ethics, may give rise to penalties (be they fines or disqualification), including against the Company;
- propagate a corporate culture predicated on legality, awareness of express disapproval by the Company of any conduct breaching law, the regulations, internal rules and, specifically, the provisions of this Model and the Code of Ethics;
- provide evidence of the existence of an efficacious organisational structure aligned with the operational Model adopted, having particular regard to clearly allocating powers, the decision-making process based on transparent, justified decisions, prior and subsequent monitoring of acts and activities, in addition to the accuracy and truthfulness of internal and external

- statements;
- allow the Company, thanks to a system of safeguards and protection and constant monitoring of proper implementation of this system, to prevent and/or promptly counter the commission of significant offences pursuant to the Decree.

2.5. TARGET AUDIENCE

The rules and provisions set forth in the Model apply to and must be complied with by all those who exercise, including in a de facto manner, managerial, administrative, senior management or control functions for the Company, by employees, and by those who albeit not employed by the Company, work in accordance with instructions issued by the Company.

The following are therefore deemed to be the “Target Audience” for this Model:

- a. Corporate Bodies (Members, Board of Directors, and any others exercising powers of representation, decision making authority and/or control within the Company, including on a de facto basis);
- b. Employees who are formally included in the headcount either on the basis of salaried employment or on the basis of independent contractor relations;
- c. Consultants who are not included in the headcount and whosoever (either individually or as a member of an association) performs services in the name of and/or on behalf of the Company or under its control.

The target audience is unambiguously prohibited from engaging in any conduct whatsoever which fails to comply with the provisions of the Model, even if engaged in in the interest of the Company or in order to obtain an advantage for the Company.

2.6. KEY ELEMENTS OF THE MODEL

The key elements developed by the Company when determining the details of the Model may be summarised as follows:

- mapping the risk areas and associated activities deemed “sensitive”, with examples of possible ways in which offences may be perpetrated;
- the provision of general principles of conduct and specific principles of control (as explained in the Special Parts and in the Protocols);
- the setting up of a Supervisory Body vested with specific authority to oversee the efficacious implementation and effective application of the Model;
- the adoption of a penalty system (annex B) designed to guarantee effective implementation of the Model and containing disciplinary measures to be applied in the event of breach of the provisions of same;
- the organisation and provision of information and training on the content of this Model (as described in greater detail in the Section dedicated in this General Part).

2.7. METHODOLOGICAL STRATEGY FOR DETERMINING THE DETAILS OF THE MODEL

Legislative Decree 231/2001 expressly provides that with regard to article 6, paragraph 2, subparagraph a), the organisation’s Model of Organisation, Management and Control is responsible for identifying those corporate activities within the framework of which the offences included in the Decree may potentially be committed. Accordingly, the Company has

proceeded, with the support of external consultants, to conduct an in-depth analysis of its own corporate activities.

Within the scope of this activity, the Company firstly analysed its own organisational structure, represented in the corporate organisation chart, which identifies the corporate departments and functions, highlighting roles and hierarchical and functional lines.

Subsequently, the Company has analysed its own corporate activities on the basis of information collected from Company point persons (Heads of organisational units) which, by virtue of the role they fill, possess the broadest, deepest knowledge of the operations carried out by the corporate sector within the scope of their professional expertise. Moreover, identifying the areas/activities at risk within the framework of corporate processes was based on the preliminary analysis:

- of the Company's Organisation Chart;
- of the resolutions and reports made by the administrative and oversight bodies with regard to the current corporate governance structure;
- of the Company's regulatory system (for example internal regulations, service orders);
- of the system of powers and authorised representatives;
- of the integrated quality/environment management system;
- of the internal oversight system deriving from customary corporate practices;
- of the instructions set out in Confindustria's Guidelines for the creation of Models of Organisation, Management and Control pursuant to Legislative Decree n° 231 of 8 June 2001³.

The results of the activities described above have been collected in the risk management data sheets comprising the risk assessment document which forms an integral part of this Model.

The risk assessment document highlights the possible intersections between the relevant area and the various possible offences cited by the 231 Decree with the description of the manner in which the offences are carried out when this could cause the Organisation to incur criminal liability; reference is also made to the specific activities at risk (being known as "sensitive activities"). Attached to the risk assessment document is the 231 Risk Matrix which summarily highlights the intersections between the mapped functions, the risks coming to light and the 231 safeguards which exist or are missing or are to be supplemented for every function. On the basis of the aforementioned intersections, the Matrix assigns a certain level of residual risk (i.e. risk net of the adequacy level of checks detected) in respect of the function activities mapped.

2.8. MAPPING OF THE ACTIVITIES AT RISK OF OFFENCES BEING COMMITTED – APPLICABLE FAMILIES OF OFFENCES

In view of the Risk Assessment activities, within the framework of the Company, the types of offence belonging to the following families of offences may potentially be committed:

³ By means of its guidelines for the creation of Models of Organisation, Management and Control pursuant to Legislative Decree n° 231 of 8 June 2001 Confindustria proposes to offer to companies choosing to adopt a Model of Organisation and Management, a series of suggestions and measures, essentially drawn from company practice, which, in abstract terms, it deems appropriate to meet the requirements outlined by the 231 Decree, so as to guide companies to create these models..

- Offences against the Public Administration (articles 24 and 25);
- Cyber offences (article 24 bis);
- Organised crime including cross-border crime (article 24 ter);
- Offences against trade and industry (article 25-bis.1),
- Corporate crimes (article 25);
- Crimes against individual's right to privacy (article 25 quinquies);
- Offences regarding the safeguarding of occupational health and safety (article 25 septies);
- Handling stolen goods, laundering and use of money, assets or benefits whose origin is illegal and self-laundering (Article 25 octies),
- Offences involving means of payment other than cash (article 25 octies 1)
- Offences involving breach of copyright (article 25-novies Legislative Decree 231/2001);
- Inducements not to make statements or to make false statements to the courts (Article 25-decies),
- Environmental crimes (article 25 undecies),
- Offences relating to the employment of third country nationals without residency permits (Article 25-duodecies),
- Tax Offences (article 25 quinquiesdecies)
- Contraband (article 25 sexesdecies).

For details of the applicable cases, reference should be made to each Special Part associated with each single family of offences contemplated by the Decree.

2.9. INTERNAL CONTROL SYSTEM

When drawing up this Model, the Company took into consideration the current internal control system in the Company in order to verify that it is still capable of preventing commission of the specific offences contemplated by the Decree in the risk areas identified.

The Company's internal control system is based, not only on the rules of conduct and specific control principles provided for herein, but also on the following elements:

- The Code of Ethics;
- the hierarchical/functional structure (Company organisation chart);
- the system relating to delegation of authority and powers of attorney;
- the integrated quality/environment management system;
- the system relating to operational instructions, internal regulations and service orders;
- the information system is geared to segregating functions and protecting the information contained therein, with regard both to the management and account systems and also to the systems used to support business-related operational activities.

Sideralba's internal control system as described above, which is understood to be the process implemented by the Company in order to manage and monitor the primary risks and to allow business to be carried on in a proper, healthy manner, is able to ensure that the following control objectives are achieved:

- *Traceability*: it is essential to be able to reconstruct the manner in which records and informational/documentary sources used to support the activities performed are created; every operation must be documented throughout every single stage, so that it is always possible to verify and control actions. Verification and control must in turn be documented, where possible through written reports;
- *separation of tasks and functions*: those who authorise operations, who carry them out and draw up the related reports and those monitoring the above must not be the same persons;
- *allocation of responsibilities*: the levels of hierarchical dependency are formalised and the duties of each Company employee are described; furthermore, responsibilities for management, coordination and oversight within the Company must be formalised;
- *assigning objectives*: the remuneration systems relating to bonuses assigned to employees must meet realistic objectives aligned with the allotted tasks and responsibilities;
- *signing authority and powers of authorisation*: internal signing authority and powers of authorisation must be assigned on the basis of formalised rules, in accordance with organisational and managerial responsibilities, clearly indicating the limits on expenditure; delegated authority must provide for the duty to provide one's hierarchical supervisor with a statement of accounts;
- *storage/filing documents*: documents relating to the activity must be stored and preserved by the head of the organisational units involved or by the person who has delegated authority to do so, in such a manner as prevents access by third parties who are not expressly authorised. Documents which are officially approved by the corporate bodies and by persons authorised to represent the Company in dealings with third parties may not be modified, except in any cases indicated by procedures and in all cases so that any modifications can be tracked.

All activities must be performed with commitment and professional rigour. Every person who is part of the "Target Audience" must make a professional contribution which is appropriate to the level of responsibilities assigned and must act in a manner which safeguards the Company's prestige.

In addition to discharging their general duties of loyalty, probity, performance of the employment contract in good faith, Company employees must refrain from engaging in activities which compete with Company activities. They must also comply with corporate rules and adhere to the prescription set forth in the Code of Ethics compliance with which is also required pursuant to article 2104 of the civil code, and this Model of Organisation, Management and Control.

The "Target Audience" must avoid situations and/or activities which may lead to conflicts of interest between their own and the Company's interests which could interfere with their ability to make impartial decisions, at all times safeguarding their own interests.

The "Target Audience" is under an obligation to:

- refrain from conduct which breaches the above rules and demand that others comply with same;

- contact their superiors or responsible functions when clarification is needed as to procedures for applying the aforesaid rules;
- promptly alert their superiors or responsible functions:
 - o of any notice, coming directly to their attention or reported by others, regarding possible breaches of the provisions of the Code;
 - o of any request made to them to breach the rules;
 - o cooperating with responsible bodies to check for possible breaches.

The “Target Audience” may not conduct personal investigations or share news with others, except for their own superiors or any responsible functions.

Furthermore, every Area/Office Head is under an obligation to:

- through their own conduct, represent an example for their employees;
- promote compliance with the provisions of the Code of Ethics by the “Target Audience”;
- act in such a manner that the “Target Audience” understands that compliance with the provisions of the Code of Ethics constitutes a crucial part of the quality of the work and operations performed;
- adopt immediate corrective measures when required to do so by the situation;
- take action, within the limits of one’s own responsibilities and authority, to prevent any retaliation.

2.10. THE SYSTEM RELATING TO DELEGATED AUTHORITY AND POWERS OF ATTORNEY

Prior to describing the criteria adopted by the Company for granting delegated authority and powers of attorney, it is expedient to define them.

“Delegated authority” means an internal act involving the allocation of powers, duties and functions to specify the management content of the job descriptions; this is reflected in the Company’s Organisational Model.

The criteria for assigning functional delegated authority are the expression of parameters which have been modified by case law decisions and codified, taking on a general scope, by the new Consolidated Law governing occupational safety (article 16 Legislative Decree 81/2008), whereby:

- a. the delegated authority must appear in a written document containing a fixed date;
- b. the person vested with delegated authority must fulfil all requirements in terms of professionalism and experience required by the specific nature of the duties being delegated;
- c. the delegated authority grants the person in whom it has been vested broad powers of organisation, management and oversight as required by the specific nature of the delegated duties;
- d. the person vested with delegated authority must be granted autonomous decision-making authority for expenditure as required for performing the delegated duties;
- e. the delegated authority must be accepted in writing by the person vested with it;
- f. the delegated authority must be suitably and promptly disclosed.

The delegation of functions does not preclude the duty of oversight on the delegator's part, with regard to the person vested with delegated authority correctly performing the functions being transferred.

"Power of attorney" means the legal act, directed at third parties, whereby a party (referred to as the party being represented) grants power to conduct legal transactions in its name and in its interest to another party (referred to as the representative); the party being represented incurs direct liability for the effects of these legal transactions.

The criteria for granting power of attorney are as follows:

- a) general powers of attorney – geared to handling all the affairs of the organisation being represented (or geared to a category of affairs) – are only granted to persons discharging those corporate duties which, in order to be performed, require authority to represent the Company;
- b) special powers of attorney – regarding the undertaking of specific acts – describe the managerial authority granted, the extension of powers of representation and limits on authority to sign documents and/or control expenditure.

The powers of attorney granted are terminated when the authorised representative has completed the operations for which the power of attorney has been granted; upon the death of the authorised representative or the party being represented; upon revocation by the party being represented; upon abandonment by the authorised representative or upon bankruptcy of the party being represented.

2.11. THE SYSTEM OF "DELEGATED AUTHORITY AND POWERS OF ATTORNEY" IN SIDERALBA

A clear, formalised breakdown of tasks and responsibilities constitutes an important tool for ensuring that powers held within the Company's organisation are transparent, separate and balanced. In this regard, the Confindustria Guidelines identify as a key element of a preventive control system, not just the adoption of a Code of Ethics, training of staff and internal communications, but also "a sufficiently formalised and clear organisational system" with regard to the assignment of responsibilities, hierarchical reporting lines and the "task description", specifically providing for principles of control such as, for example, a system of functional checks and balances. Specifically, Sideralba has put in place a system of delegated managerial authority granted to the members of the Board of Directors and a notarised power of attorney has been granted to the Human Resources director.

2.12. MANAGEMENT OF FINANCIAL RESOURCES

Article 6, paragraph 2 subparagraph c) of Legislative Decree 231/2001 provides for an obligation to identify specific procedures for managing financial resources in order to prevent offences from being committed.

To this end, the Company operates in accordance with principles governing the management of financial resources, on the basis of three key principles identified and set out in the Confindustria Guidelines:

1. Principle of Segregation – "No one may manage an entire process independently". In accordance with this principle, when managing financial resources, the Company's customary practice is to ensure that there is functional separation and independence between those with decision-making authority on how to use the financial resources, those implementing such decisions and those tasked with overseeing proper management of the financial resources used; the Company's organisational chart is constantly updated so that it is always in line with the actual operational situation.

2. Principle of Traceability – “Every operation, transaction and action must be: verifiable, documented, coherent and fair”. In accordance with this principle, all operations entailing the use or commitment of financial resources must have an explicit, verifiable reason and must be documented and recorded, using either manual or digital means, in accordance with principles of professional and accounts propriety. The related decision-making process must always be verifiable and under no circumstances whatsoever may the Company’s funds and the related transfer of same not be registered in writing.
3. Principle of Control – “Control activities documentation”. In accordance with this principle, all operations giving rise to the use or commitment of financial resources must be subject to a control system, carried out by the Supervisory Body to document – for example through drafting a report or minutes – auditing activities and/or oversight. More specifically, the Company implements specific processes to monitor financial resources intended to prevent funds from being allocated which might help perpetrate the various types of offence entailing transfer of money (bribery, laundering, deliberately misleading reporting etc).

2.13. HARMONISATION OF THE 231 MODEL WITH THE INTEGRATED QUALITY/ENVIRONMENT SYSTEM

In order to reduce redundancies and superstructures which are likely to create diseconomies and which risk weighing down on the Model’s management and control activities, to the point where they could potentially undermine the central purpose as required under the rule, the Company has decided to harmonise the 231 Model with the “quality and environment” integrated management systems which have already been implemented within the Company. This strategic decision is appropriate to ensure that the Model functions correctly over time, by reason of the fact that it makes it possible to integrate the prescriptions and protocols relating to management of sensitive activities, within the flow of current Company processes. Accordingly, when preparing the 231 Model, consideration was also given to these systems, supplementing them, where deemed necessary, so as to also make them suitable as offence prevention measures and as measures to monitor types of sensitive activities. Following this methodology designed to assess the existing system, without prejudice to its particular function described in the above paragraphs, the Model aims to harmonically form a part of the broader Company process relating to alignment with management systems. Amongst the aspects constituting added value which can be obtained from the introduction of the 231 Model in the Company, one must not ignore the possibility, through integrating the Model with the management systems adopted, to construct a veritable “corporate governance” system: the advantage stems from the fact that the 231 Model is an internal control system which may also be extended to the operational aspects followed by other systems.

Integration is based on the following aspects:

- unified drafting of the documents setting out the strategies and control objectives;
- formalisation of the organisation system and allocation of roles and functions;
- unified development of risk planning documents;
- identification of integrated instructions for performing tasks;
- coordinated monitoring and reporting processes.

2.13 PRODUCT CERTIFICATION

In addition to the UNI EN ISO 9001 quality certification and UNI EN ISO 14001 certification, Sideralba has also been issued with the following product certification:

- UNI EN 10219-1:2006 - Cold formed welded hollow sections for structural uses of non-alloy and fine grain steels - Part 1: Technical supply conditions;
- EN 12899-1:2007 - Fixed vertical signage for road signs - Supports/Fixed vertical road traffic signs; Supports;
- DOP EN 12899 - Supports provided as warehouse products for using with vertical road traffic signage depending on the geometric features;
- UNI EN 1090-1:2009+A1:2011 – Construction of steel structures in construction classes up to EXC2 according to UNI EN 1090-2;
- DOP EN 1090
- DOP EN 10219 – GRADO S275J2H
- DOP EN 10219 – GRADO S275J0H
- DOP EN 10219 – GRADO S355J0H
- DOP EN 10219 – GRADO S355J2H
- DOP EN 10219 – GRADO S235JRH.

2.14 CODE OF ETHICS AND MODEL

Given the Company's determination to base its corporate activities on compliance with laws and the key values of its own activities, it has adopted the Code of Ethics (hereinafter also referred to as the "Code"), which enshrines a series of "corporate ethics" rules which the Company endorses and with which it demands compliance by its corporate bodies, employees and third parties operating at the behest of the Company (to the extent that such compliance is applicable to the specific contractual relations).

The provisions of the Model are in all cases aligned with and conform with the principles of the Code of Ethics and more specifically, fulfil the requirements expressed by the Decree and, it is accordingly designed to prevent the types of offence included within the scope of Legislative Decree 231/2001, from being committed.

The Company's Code of Ethics asserts principles which are intended to prevent the unlawful acts referred to in Legislative Decree 231/2001 from being committed; they accordingly also become important for the Model and constitute an element which complements it.

The body responsible for verifying correct implementation of the Code amongst the target audience is the Supervisory Body which is also responsible for updating the Model in view of legislative reforms, possible changes to the organisational and managerial structure of the Company and financial and commercial developments affecting the Company's business.

Each corporate function is responsible for applying the Code of Ethics within the framework of the tasks falling within their remit. The target audience may alert the Supervisory Body when they become aware of a presumed breach of the Code; the Supervisory Body shall assess the notification, undertaking to respect the confidentiality of the person alerting the Supervisory Body, without prejudice to all legal obligations.

Under no circumstances may breaches reported in good faith give rise to any negative repercussions against the person alerting the Supervisory Body, including cases where the matter proves to be groundless.

Conversely, against any reports made in bad faith, with wrongful intent or gross negligence, the contents of which are totally groundless or not supported by concrete evidence, and when they

have an evidently defamatory or slanderous content, a penalty shall be applied according to the contents of the corporate Disciplinary System.

2.15 DISCIPLINARY SYSTEM (ANNEX B)

Article 6, paragraph 2, subparagraph e) and article 7, paragraph 4 subparagraph b) of Legislative Decree 231/2001 expressly provide (with regard to persons both in senior executive roles and reporting to managers), that any release from liability for the organisation is, contingent, inter alia, on the provision of proof that a “Disciplinary System capable of penalising failure to abide by the measures described in the Model” has been put in place. The Disciplinary System completes the Organisational Model and renders it effective; the purpose of the Model is to prevent offences from being committed, rather than to oppress them once they have already been perpetrated. Determining the details of a system of penalties (commensurate to the breach and for deterrence purposes) which can be applied in the event of breach of the rules adopted by the Company to implement the relevant principles set forth in the Model, renders actions undertaken by the Supervisory Body effective and is designed to guarantee that the 231 Model itself is effective and binding. Indeed, definition of this Disciplinary System is an essential prerequisite for the Model itself in relation to the Company’s exemption from liability. Application of the Disciplinary System and the related penalties is unconnected to any criminal proceedings carried out by a law court or to the outcome of same, against the perpetrator of criminal conduct which is considered significant in accordance with Legislative Decree 231/2001. For details of the above, reference should be made to the annex to this document “Disciplinary System” (**Annex B – Disciplinary System**).

THIRD SECTION

3. SUPERVISORY BODY

Article 6, paragraph 1 of Legislative Decree 231/2001 requires, as a precondition for benefiting from the exemption from administrative liability, that the task of overseeing the Model and the manner in which it operates, also taking charge of updating it, is assigned to a Supervisory Body within the organisation which, vested with powers to act autonomously and with oversight authority, discharges the duties assigned to it on an ongoing basis.

The Decree requires the Supervisory Body to perform its functions outside the Company’s operational processes, reporting periodically to the Board of Directors, without taking into account hierarchical relations with each single Corporate Body and each single head of Department.

The Supervisory Body is appointed by the Board of Directors which continues to hold office according to the term indicated in the resolution making appointments; its members are eligible for re-election and continue to hold office until the formal appointment of their successors.

More specifically, the Supervisory Body frames its own operational regulations which are brought to the attention of the Board of Directors. The composition of the Body has been decided in order to fulfil the following requirements:

- Autonomy and Independence: requirement assured by its positioning within the organisational structure in its position as staff unit for the Governing Body, so as to allow

it to exercise its own powers without any other of the organisation's other corporate bodies or functions interfering or placing restrictions, including the Governing Body which is one of the entities overseen by the Supervisory Body. Indeed, in this regard it should be asserted that, following appointment by the Governing Body, the Supervisory Body also exercises its powers to act autonomously and with oversight authority over the application of and compliance with the Model vis-à-vis the Governing Body;

- Professionalism: a requirement guaranteed by the professional, technical and practical knowledge held by the members of the Supervisory Body. Specifically the chosen membership of the Body guarantees suitable legal knowledge and knowledge of the principles and techniques for exercising oversight and performing monitoring, in addition to knowledge of the Company's organisation and its primary processes.
- Continuity of action: with regard to this requirement, the Supervisory Body must constantly monitor compliance with the Model by the Target Audience through its authority to conduct investigations, and is responsible for implementing and updating it, representing an ongoing point of contact for all the Company's personnel.

The members of the Supervisory Body are chosen from amongst persons having an ethical and professional profile which is unimpeachable and must not be married to or related to members of the Board of Directors. Members of the Supervisory Body who are Company employees and external professional service providers may be appointed.

Remuneration for the members of the Supervisory Body, be they internal or external to the Company, does not represent grounds for conflict-of-interest.

Any person who has been banned, who is incapacitated or declared bankrupt or who has been convicted, even if the conviction is not final, with a sentence entailing disqualification, including temporary disqualification from holding public office or inability to exercise executive functions, or who has been convicted, even if the judgement is not final or by plea bargaining, due to their having committed one of the offences contemplated by Legislative Decree 231/2001, may not be appointed a member of the Supervisory Body, and if appointed, ceases to hold office.

Members having a salaried employment relationship with the Company automatically cease to hold office in the event that such employment relation terminates, irrespective of the causes of such termination.

3.1. CAUSES OF INELIGIBILITY, TERMINATION OF SERVICE AND REMOVAL OF THE SUPERVISORY BODY

The following are grounds for ineligibility and termination of service for members of the Supervisory Body:

- the presence of the circumstances referred to in article 2382 of the civil code (Ineligibility and termination of service for directors) and the circumstances referred to in article 2399 of the civil code (Ineligibility and termination of service for the internal statutory auditors);
- having been convicted in a criminal trial which, according to legislation in force, rules out access to public employment;
- having been made subject to a Decree which hands down a judgement relating to offences of the same type as those contemplated by the Decree;

- having been convicted of a criminal offence which need not be final, or in the event of plea bargaining, in Italy or abroad, regarding offences of the same type as those contemplated by the Decree.

Being no longer able to fulfil the requirements determining selection of the members when nominations are made by virtue of one's office or role in the organisation, during the term of office, also triggers termination with immediate effect.

The Board of Directors is entitled to suspend a member of the Body in cases where he or she receives a notice of investigation in relation to one of the offences contemplated in the Decree, without prejudice to that person's right to be fully reinstated in the event that the notice of investigation is not served or in the event of an acquittal.

In all cases the member of the Body is under an obligation to advise the Board of Directors should they receive a notice of investigation.

Should a member of the Body be suspended, the Board of Directors shall take steps to immediately appoint a temporary replacement.

The following are grounds for removal of members of the Supervisory Body:

- the occurrence during a member's term of office of just one of the grounds for ineligibility or termination listed above;
- no longer being able to fulfil the requirements for autonomy, independence, professionalism and continuity of action;
- failure on the part of the Supervisory Body to carry out oversight or insufficient oversight, being the consequence of a conviction, including a conviction which is not final, issued against the Company pursuant to the 231 Decree, or otherwise in the event of plea bargaining;
- gross breach by the Supervisory Body of its functions and/or duties.

The decision to dissolve the Body or remove a member of the same lies with the Board of Directors, which concurrently takes steps to replace the Body or member in the required manner.

Any dissolution of the Body or removal of a member requires a resolution being passed by the Board of Directors having consulted with the other members of the Supervisory Body and the Audit Committee.

The Supervisory Body is responsible for independently framing the rules governing its own proper functioning in specific Operational Regulations, which are brought to the attention of the Board of Directors which ensures that they are in line with the contents of this Model.

3.2. POWERS AND FUNCTIONS EXERCISED BY THE SUPERVISORY BODY

The following duties are assigned to the Supervisory Body:

- raising awareness within the Company of knowledge and understanding of and compliance with the Model;
- monitoring compliance with the Model by the Target Audience;

- monitoring the effectiveness and appropriateness of the Model by verifying that the conduct engaged in by personnel is consistent with the safeguards set forth in the Model;
- monitoring the implementation of and compliance with the Model within the framework of activities which potentially are at risk of offences being committed;
- advising the Board of Directors when it becomes advisable to update the Model, should requirements to make the Model compliant with regard to changes affecting the Company and/or regulatory reforms, be detected.

When performing these activities, the Body shall be responsible for the following tasks:

- liaising and cooperating with the Corporate Departments (including by means of specific meetings) in order to monitor, in the best way possible, Company activities identified in the Model as being at risk of offences being committed;
- liaising and cooperating with the other auditing bodies;
- verifying the setting up and proper working of specific “dedicated” informational channels (for example email address) designed to facilitate the flow of alerts and information to the Body;
- performing targeted checks on certain operations or specific acts, carried out within the scope of corporate activities identified as being potentially at risk of offences being committed;
- verifying and checking that all documentation pertaining to the activities/operations identified in the Model is properly kept and effective and that it is possible to access all documentation and information deemed useful as part of the monitoring process;
- verifying that information provision and training initiatives on the Model are properly conducted by the Company;
- availing itself of the support of the Company’s salaried employees, in addition to the Statutory Employer with regard to matters of occupational health and safety, or any external consultants with regard to particularly complex issues or issues requiring specific expertise (for example environmental matters);
- carrying out or taking steps to have investigations conducted on the accuracy and merits of any alerts received, drawing up a report on activities carried out and possibly proposing the adoption of penalties to the Legal/Human Resources area, as per the dedicated section in this Model;
- immediately reporting any breaches of the Model which are deemed to be well founded to the Board of Directors, in the event it is found that people in senior management positions have engaged in conduct conflicting with the principles and rules of conduct set out in the Model.

With regard to discharging the aforementioned duties, the Body is vested with the following powers:

- issuing instructions to regulate its own activities and preparing and updating the list of information which it has to receive from the Company’s Areas/Offices;
- accessing, without prior authorisation, any and all Company documents which are of significance for the discharge of functions assigned to it under Legislative Decree 231/2001;

- arranging for the heads of Company departments, and, in all cases the Target Audience to promptly provide information, data and/or notifications when requested to identify aspects relating to the various corporate activities which are of significance for purposes of the Model and for verifying actual implementation of same by the Company;
- conducting investigations into any reports received to assess whether they constitute a breach of the Code of Ethics and/or the Model and to ascertain whether they are well grounded, reporting the matter, once the investigations are complete, to the relevant Area/Office and to the Board of Directors, depending on the role in the Company discharged by the perpetrator of the breach, on whether or not it is advisable to initiate disciplinary proceedings or to impose appropriate penalties against the perpetrator;
- obtaining a statement on the outcome of the disciplinary procedures or penalties imposed by the Company for proven breaches of the Code of Ethics and/or the Model and, in the event that the claims are dismissed, to seek the reasons for same;
- engaging external consultants of demonstrable professionalism in those cases where necessary to perform the verification and control activities or to update the Model.

In order to improve the manner in which activities are carried out, the Body may delegate one or more than one specific task to single members of the Body, which shall perform them in the name of and on behalf of the Body. With regard to the delegated tasks, liability incurred lies with the Body as a whole.

The Board of Directors allocates an annual budget to the Supervisory Body in an amount proposed by the Body itself and, in all cases, it must be appropriate to the functions allotted to it. The Body decides on expenditure independently in accordance with corporate signing authority and, should expenditure exceed the budget, it must be authorised directly by the Board of Directors.

Without affecting legal liability for the appointment and aside from cases of complicity in the offence contemplated under article 110 of the criminal code, the overall wording of the provisions regulating the Body's activity and duties, indicates that it has been assigned the task of exercising control, not with regards to potential commission of the significant offences under Legislative Decree 231/2001, but with regard to the proper functioning of and compliance with the Model.

The Board of Directors is responsible for any failure on the Company's part to comply with the prescriptions of the Decree, also with regard to correctly exercising the powers of oversight and control granted to the Supervisory Body.

3.3. REPORTING BY THE SUPERVISORY BODY TO THE BOARD OF DIRECTORS AND AUDIT COMMITTEE

As stated above, in order to ensure that the Supervisory Body is able to exercise its functions autonomously and independently, it communicates directly to the Company's Board of Directors and the Audit Committee.

Within the framework of this broad transfer, two reporting lines can be distinguished:

1) General, on an annual basis

Upon being initially appointed and at the start of every subsequent year, the Supervisory Body gives notice of the operations which it plans to carry out in the course of the year, specifying the purpose of the activities (verifying mapping of risk areas, purpose of and compliance with the Model, adoption of necessary practices for training personnel etc);

At the end of every calendar year, the Body draws up a report of the activities performed and a summary of the findings, including a summary of the results coming to light when the flow of information received from Company entities has been examined and at the end of investigations undertaken into corporate processes which are at risk of criminal offences being committed;

2) On an ongoing basis

The Body informs the Board of Directors about its conclusions following analysis of the flow of information received and any controls carried out on the processes at risk, where it detects particular critical situations requiring that senior management intervene to possibly adopt corrective action on the Model or regarding the person behaving in a manner which conflicts with expected behaviour.

Within this framework, the Body does not merely comply with a reporting requirement in respect of the Company's senior executives but, where necessary, also carries out an assessment of each specific circumstance detected, providing non-binding proposals as to modifications to be made in order to remedy any shortcomings found.

All communications to the senior executives must always be made in writing, including electronically (for example email with a read receipt), and must be kept by the Supervisory Body in a specific digital and/or hard copy file.

In all cases the Supervisory Body may at any time be asked by the Board of Directors to communicate or present reports on its activities, which may also be in addition to the eventualities referred to above.

In order to guarantee a correct, effective flow of information and in order to fully, correctly discharge its own duties, the Body is also entitled to request clarification or information directly from corporate entities having operational responsibilities.

The Supervisory Body may be convened at any time by the Board of Directors and by the Audit Committee; in turn, the Body is entitled to request the convening of the aforementioned with regards to matters pertaining to the proper functioning and effective implementation of the Model or with regard to specific situations. The Supervisory Body also reports periodically (at least once a year) to the Audit Committee prior to approval of the Financial Statements by the Board of Directors.

The reporting activities referred to above shall be documented through records and officially placed on record with the Body, in compliance with the principle of data and information confidentiality contained therein.

3.4. FLOW OF INFORMATION TO THE SUPERVISORY BODY

Amongst the requirements which the Model must meet, Legislative Decree 231/2001 lists the establishment of specific obligations to provide information to the Supervisory Body by the

Company's Areas/Offices, intended to allow the Body to perform its supervisory and control activities.

In this regard, the following information must be notified to the Supervisory Body:

- on a regular basis, information, data, notices and documents constituting exemptions and/or exceptions to the corporate procedures, previously identified by the Supervisory Body and formally requested by the latter from each specific Area/Office (being known as the flow of information) in the manner and according to the timeframe defined by the Body itself;
- within the scope of the monitoring activities carried out by the Supervisory Body, any and all piece of information, data, notices and documents deemed useful and/or necessary for conducting these checks, previously identified by the Body and formally requested from each single Area/Office;
- on an occasional basis, any such other information, of any type, pertaining to implementation of the Model and/or the Code of Ethics in the activity areas deemed at risk, and compliance with the provisions of the Decree, as may be useful in order to discharge the Body's duties (for example reporting breaches).

The target audience must refer any information relating to conduct which may constitute a breach of the prescriptions laid down in the Decree and/or the Model and/or the Code of Ethics in addition to any specific types of criminal offence, to the Supervisory Body.

To this end, a dedicated communication channel is set up with the Supervisory Body,

sideralbaodv231@gmail.com

Brought to the attention of the Company's personnel to whom reports of any breaches may be sent; access is reserved to members of the Body. These procedures for reporting breaches are designed to ensure the utmost confidentiality for whistleblowers, also in order to avoid retaliation or any other form of discrimination or penalisation against them.

The Supervisory Body will assess all alerts received by it and may, when deemed advisable, call both the person reporting the breach - in order to obtain further information - as well as the alleged perpetrator, thereby prompting all investigations to establish whether the report of the breach is well grounded.

Having ascertained that the report concerning possible breach of the Model and/or the Code of Ethics is justified, the Body:

- in the case of breaches by salaried employees, immediately informs the Human Resources and Legal Department in writing in order to initiate the necessary actions;
- in the case of breaches by other senior executives in the Company, it immediately informs the Board of Directors and the Audit Committee.

In addition to the above information, notices concerning the following must be sent to the Supervisory Body:

- decisions and/or notices received from the judicial police or any other authority, including administrative authorities, which involve the Company or senior executives, giving rise to formal investigations, including against persons unknown, by reason of

- commission of criminal offences contemplated by Legislative Decree 231/2001, without affecting all legally enforced obligations relating to confidentiality and secrecy;
- requests for legal assistance forwarded by senior executives and/or employees in the event that judicial proceedings are initiated in relation to criminal offences contemplated by Legislative Decree 231/2001;
 - modifications to the delegated authority and power of attorney system, as well as amendments to the bylaws or the Company organisation chart;
 - the outcome of any action undertaken following the written reporting of breaches by the Supervisory Body relating to a proven breach of the Model, the imposition of disciplinary measures due to breach of the Model, in addition to decisions to dismiss the matter together with the related reasons;
 - reports of serious accidents (manslaughter or grievous bodily harm or very grievous bodily harm, in all cases any accident with a prognosis of more than 40 days and, in all cases when the duration exceeds 40 days) involving the Company's employees and independent contractors, and more generally, all those who have access to the Company's facilities;
 - alleged breach of the Code of Ethics;

Furthermore, the dedicated functions send any changes to the processes and procedures to the Body in addition to corrective and improvement actions planned and subsequent completion status.

With the support of the Company, the Body defines the manner in which this information is to be forwarded, advising the Departments required to send such information.

All the information, the documentation including the reports required under the Model and the reports of breaches gathered by the Supervisory Body – and sent to same – when discharging its own institutional duties, must be kept in safe keeping by the Body in a specific hardcopy and/or digital folder.

FOURTH SECTION

4 WHISTLEBLOWING

4.1. WHISTLEBLOWING: GENERAL PRINCIPLES

The target audience for the Model, mindful of possible situations at risk of criminal offences being committed within the Company context or aware of conduct which conflicts with the prescriptions of the Model, engaged in by other members of the target audience, are under an obligation to promptly report such situations to the Supervisory Body.

Indeed, the target audience for the Model are required to co-operate with the Company to ensure that the Model is effective and binding, notifying, without delay, of any risk situations, (if possible before they become criminally relevant unlawful acts), also reporting any unlawful acts which have already been perpetrated (in order to avoid whatever damage has already occurred from having permanent consequences or from being repeated).

To this end, by means of this Model, the Company adopts a virtuous management system in respect of whistleblowing in accordance with article 6, paragraph 2-bis, of the Decree. This system, on the one hand contributes to identifying and combating possible unlawful acts and

on the other hand serves to create a climate of transparency in which every member of the target audience is encouraged to contribute to the culture of ethics and corporate legality, without any fear of suffering retaliation from the Board of Directors or Audit Committee, hierarchical superiors or any colleagues reported by the whistleblower.

At the same time, the Company adopts a specific disciplinary system designed to a) safeguard the confidentiality of whistleblowers bringing matters to light in good faith and to prevent them from being discriminated against and b) to safeguard the reputation and dignity of those who have been reported in bad faith.

4.2. PRECONDITIONS AND SUBJECT MATTER OF WHISTLEBLOWING

The whistleblowing obligation applies whenever the target audience of the Model reasonably and legitimately suspect or are aware – provided that both are grounded on precise, corroborating factual elements – of criminally unlawful behaviour or behaviour intended to circumvent the prescriptions of the Model, engaged in by employees or representatives of the organisation. Specifically, relevant whistleblowing reports relate to two types of conduct:

- unlawful conduct pursuant to Legislative Decree 231/2001, in other words conduct which is prosecutable by reason of the fact that it may amount to a predicate offence, referred to by Legislative Decree 231/2001, and which may also take the form of an attempted offence;
- any breach of the Company's 231 Model coming to the attention of the whistleblowers by reason of the functions they discharge; in such case, the report of a breach relates to conduct which even if not criminally relevant, in all cases contravenes the criminal offence prevention system implemented by the Company, due to the fact that it breaches principles of "general or specific" control, the safeguards or corporate procedures referred to in the Organisational Model. In both cases, the Company and the Supervisory Body are under an obligation enshrined in the specific Disciplinary System attached to this Model, to process reports of breaches confidentially, pending the establishment of possible criminal liability. Specifically, the personal data belonging to those involved in the report (first and foremost the names of the whistleblower and the name of the person being reported) must not be revealed without their consent – unless it is the law which expressly requires it for criminal justice requirements – in order to protect them from possible retaliation by colleagues or hierarchical superiors.

4.3. COMMUNICATION CHANNELS AND HANDLING OF REPORTS OF BREACHES

The Supervisory Body is the body specifically assigned the task by the Company of receiving, analysing, monitoring and managing (also with the possible support of other corporate functions), any reports of breaches, in accordance with the provisions of article 6, paragraph 2-bis, of Legislative Decree 231/2001. To this end, the Supervisory Body adopts its own protocol for dealing with "protected" reports of breaches; it is autonomous and distinct in respect of the protocol for managing the periodic flows of information requested from the corporate functions referred to in the previous paragraph.

Accordingly, the Company is adopting an alternative digital channel which makes it possible to forward reports of any unlawful conduct, guaranteeing the protection of the whistleblower's identity (encrypted personal data which is anonymized in accordance with the EU Regulation 2016/679) and the confidentiality of information being reported (data access policy).

In order to regulate the process involving receipt, evidence acquisition and ascertainment of reports of breaches, including anonymous reports made by those gaining knowledge of an

unlawful significant act under Legislative Decree n° 231/2001, the Company is implementing a whistleblowing platform in accordance with the requirements of article 6 of Legislative Decree 231/2001 and a specific 231 whistleblowing procedure (which will constitute an annex to this Model).

Should a whistleblower reasonably suspect that a breach of the 231 Model has occurred or may occur in future, he or she will be able to report the matter to the Supervisory Body.

4.4. PROTECTION OF THE WHISTLEBLOWER AND THE PERSON BEING REPORTED

In accordance with the relevant principles set out in the Model and the Code of Ethics, the whistleblower may suffer no adverse effects due to their reporting of a breach in good faith, also in cases where following an in-depth investigation, the claim proves to be groundless. More specifically, the Company is under an obligation to protect the whistleblower from any form of discrimination or retaliation as a consequence of the report, such as for example job downgrading, bullying or dismissal.

Conversely, the Company will be responsible for initiating internal procedures to assess whether disciplinary measures should be applied against a whistleblower who acting with wrongful intent or gross negligence reports a breach which proves to be groundless.

By the same token, the Company is under an obligation to protect the confidentiality and identity of those persons reported, without prejudice to any legal obligations, and to penalise any person who breaches measures taken to protect the confidentiality of the whistleblower and the person being reported during the phase when responsibility is being ascertained.

To this end, the Disciplinary System annexed to this Model has a section specifically dedicated to penalties put in place by the Company against any persons contravening the whistleblowing system as per this Model, to which reference must be made for a description of the various cases of breach formalised herein.

4.5. COLLECTION AND RETENTION OF INFORMATION

Every report, information, report of breach and/or assessment of same, required by the Model, is retained by the Supervisory Body in specific folders kept in its technical administration office, in accordance with legal standards and the provisions of this Model.

FIFTH SECTION

5. DISTRIBUTION OF THE MODEL

5.1. INFORMATION AND TRAINING OF PERSONNEL

Mindful of the importance of training and information within the framework of preventive actions, Sideralba has determined the details of a communications and training programme designed to ensure the distribution to the Target Audience of the principles set forth in the Decree and the obligations arising thereunder, in addition to the provisions of the Model.

The provision of information and training to personnel is organised by taking into account various levels of thoroughness of detail depending on the extent to which personnel are involved in the areas at risk of criminal offences being committed. In all cases, training, intended to disseminate knowledge of Legislative Decree 231/2001 and the provisions of the Model, is differentiated in terms of content and distribution procedures according to the job classification level of the Target Audience, the risk level in the area in which they operate and whether or not they exercise functions involving representation and management of the Company.

Training involves all active personnel, in addition to resources who are to be onboarded in future. In this regard, the related training activities must be planned and actually carried out both at the time of hiring and in the event of any changes to their duties, as well as following updating and/or amendments to the Model.

With regard to distribution of the Model within the corporate framework, the Company undertakes to:

- send a written notice to all personnel on the adoption and/or updating of this Model;
- publish the Model on the corporate intranet and/or on any other means of communication deemed suitable;
- organise training to disseminate knowledge of Legislative Decree 231/2001 and the prescriptions of the Model, and plan training sessions for personnel when the Model is updated and/or amended, in such a manner as is deemed most appropriate.

The documentation relating to the provision of information and training shall be kept by the Legal/Human Resources Area and may be consulted by the Supervisory Body and any other person entitled to view it.

5.2. POLICY STATEMENT FOR EXTERNAL INDEPENDENT CONTRACTORS AND PARTNERS

Specific policy statements on policies and procedures adopted by Sideralba on the basis of this organisational Model may also be provided to External Independent Contractors and Partners as well as the contents of related contractual clauses which are customarily used.

5.3. OVERSIGHT OBLIGATIONS

All those in the Company discharging supervisory duties in respect of other corporate representatives/personnel are under an obligation to exercise such duties with the utmost duty of care, informing the Supervisory Body of any irregularities, breaches and failure to perform in the manner laid down in this Model and in the specific corporate regulatory documents.

In the event of failure to fulfil the aforementioned obligations, persons having oversight functions in the Company shall be penalised in accordance with their position within the Company, as provided for in the “Penalty System”, attached hereto.

SIXTH SECTION

6. Adoption and Updating of the Model

The adoption and effective implementation of the Model are – as expressly required by law – the responsibility of the Board of Directors. It therefore follows that the power to make any amendments to the Model therefore lies with the Board of Directors which shall exercise it by means of resolutions passed in the manner required for adoption of same.

Updating of the Model, understood both as supplementing and amending it, is intended to ensure that the Model remains appropriate and fit for purpose, in view of its function as a tool to prevent the commission of criminal offences as required by Legislative Decree 231/2001.

However, the Supervisory Body is responsible, in practical terms, for monitoring the need or advisability to update the Model, promoting this requirement with the Board of Directors. The

Supervisory Body, within the scope of its powers granted to it in accordance with article 6, paragraph 1 subparagraph b) and article 7, paragraph 4 subparagraph a) of the Decree, is responsible for framing proposals to the Board of Directors regarding updating and adapting this Model.

In all cases the Model must be promptly amended and supplemented by the Board of Directors, including at the behest of the Supervisory Body and subject to consultation with same, when the following have occurred:

- variations to and circumventing of the prescriptions set forth therein when these prove to be ineffective or inconsistent for purposes of preventing criminal offences;
- significant modifications to the Company's internal structure and/or the manner in which the Company undertakes its business;
- regulatory reforms.

The following duties continue to be assigned to the Supervisory Body:

- conducting periodic research to identify any updates to the list of corporate activities for purposes of updating the map of sensitive activities;
- liaising with the Area/Office head for personnel training programs;
- interpreting legislation governing predicate offences, in addition to any guidelines drafted, including updating existing guidelines and checking the adequacy of the internal control system with regard to regulatory prescriptions or the guidelines;
- verifying the need to update the Model.

Heads of Areas/Offices which are affected draw up and give effect to changes to the operational procedures falling within their remit, when such modifications are necessary in order to effectively implement the Model, or otherwise, should they prove to be ineffective, to correctly implement the provisions of this Model. The relevant corporate functions are also responsible for modifying or supplementing the procedures required for implementing any revisions to this Model.

Any amendments, updates and additions to the Model must always be communicated to the Supervisory Body.

ANNEXES

ANNEX A – LIST OF CRIMINAL OFFENCES CURRENTLY INCLUDED IN LEGISLATIVE DECREE
231/2001

ANNEX B – DISCIPLINARY SYSTEM