

CODE OF ETHICS AND BUSINESS CONDUCT

OF THE FERALPI GROUP

"Working and growing through respect
for man and the environment"



VERSION APPROVED BY
FERALPI HOLDING'S BOARD OF DIRECTORS
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1. Introduction

The Code of Ethics and Business Conduct (“the Code”) adopted by the Feralpi Group (“Feralpi” or “the Group”) is a benchmark for promoting and encouraging work and business ethics within the Group.

The Code sets out the commitments and ethical responsibilities in running the Group taken on by the collaborators of Feralpi and the companies it controls, regardless of whether they are directors or employees. Feralpi actively encourages the spontaneous adoption, sharing and promotion of the principles set out in the Code and expects them to be applied by all individuals working on behalf of Feralpi or coming into contact with the Group. Disciplinary and contract sanctions will be applied in the event of breach of these principles.

This Code is therefore a core component in the Group’s organisational model and internal control system, as Feralpi is firmly convinced that business ethics is a key factor in corporate success.

The Code is based on a preliminary analysis of the corporate values that guide Feralpi employees in the course of their daily work. These are the so-called core values. They are based on a fundamental principle, an expression of corporate identity and originally set out in the Founder’s motto, “working and growing through respect for man”, a principle that promotes understanding and harmony between individuals, technology and nature.

This principle, with the addition of a specific reference to the environment, has been passed on to the new generation currently involved in running and developing the Group and is adopted by Feralpi management.

The mission the Feralpi Group has set itself is the result of this vision and aims at achieving sustainable growth by producing and developing quality products and seeking the best operating conditions to achieve top performance.

In pursuing these goals, Feralpi intends to develop a relationship based on trust with all the stakeholders, namely the individuals, groups and institutions indispensable in this process and those involved in general or have a legitimate interest in the result.

Feralpi’s stakeholders are its shareholders, employees, customers and suppliers, the state, public administrations, local and national public authorities, the national community and the local communities in which the plants are located.

2. Recipients

The principles and provisions set out in the Code are binding on the directors, all individuals employed by Feralpi (“employees”) and anyone working on behalf of Feralpi, regardless of the actual business relationship, e.g. consultants, agents, brokers and project-based workers (referred to collectively as “collaborators”).

This Code is also adopted to strengthen the system put in place by the Group to prevent the commission of offenses, as provided by Italian Legislative Decree no. 231/2001.

The principles and provisions of the Code provide examples of the general obligations of diligence, honesty and loyalty that qualify the performance of the assigned tasks and the behaviour that employees and collaborators must adopt.

Feralpi considers compliance with the rules and regulations set out in the Code an integral and essential part of the contract obligations resulting from subordinate employment under art. 2104 of the Italian Civil Code for employees, and from the contract conditions for collaborators. Everyone working in and with the Group (associated companies, subsidiaries, business partners, customers and suppliers) is required to adopt conduct in accordance with the general principles of the Code and ensure that the contents are known to all subjects having relations with the member companies. Failure to comply with the rules constitutes breach of the obligations under the employment or collaboration agreements, with all the legal and contractual consequences this entails. Everyone is required to comply with the Code of Conduct, ensure that it is complied with and report any breach of the rules, depending on his/her tasks and functions.

3. General principles

3.1. Respect

In accordance with the Founder’s original mission, Feralpi’s activity revolves around man, a principle guiding both interpersonal relations within the Group and relations with individual and collective stakeholders outside the Group. Particular importance is placed on respect for the needs of the reference community in all the countries in which the Group operates and on the rights of future generations in terms of wellbeing, quality of life and the environment.

Personal data concerning employees, customers and suppliers are handled in the accordance with the privacy law, and the respect of personal dignity is guaranteed. The information acquired from employees and collaborators belongs to Feralpi and cannot be used, disclosed or divulged without the subject’s explicit consent.

Feralpi rejects all claims and behaviour prejudicial to the moral or personal preferences of any individual. Feralpi is committed to avoiding all discrimination based on age, gender, sexual orientation, state of health, race, nationality, political opinion, trade union membership or religious beliefs.

3.2. Transparency

Feralpi is fully committed to providing stakeholders with information that is complete, transparent, comprehensible and accurate. Transparency forms the basis of open and loyal relations so that each stakeholder can make informed decisions, with full knowledge of the facts and interests involved.

Transparency in bilateral relations is pursued by drawing up contracts that are clear and understandable for both parties. In connection with its external relations, Feralpi issues regular social and environmental reports, the aim being to evaluate the degree of corporate sustainability achieved, and is committed to obtaining major international certifications.

3.3. Truthfulness

All bookkeeping practices and administrative details are based on the principle of truthfulness of all data, not merely those imposed by law or required to obtain certifications.

This criterion, together with transparency and honesty, forms the basis of all daily relations between employees, as a condition of mutual trust, and of the information provided to external stakeholders.

3.4. Honesty

Honesty forms the basis of the company’s reputation and is an important part of the Group’s moral heritage. Feralpi’s collaborators act in accordance with the law, this Code and the internal rules. The

Company is aware that honesty imposes full compliance with the law and is hence committed to adopting behaviour that is consistent with the Code, even in national contexts in which compliance with the law and legal certainty are lacking. In no case shall pursuing the Group's interest justify behaviour in breach of the law.

3.5. Trust and loyalty

Feralpi acknowledges and promotes a climate of trust in its dealings with the stakeholders. Both internal and external relations are based on mutual trust. Internal relations are based on loyalty and prior acknowledgement of good faith on the part of the individual. Employees in good faith work with commitment and pursue excellence, they do not merely perform their jobs with formal correctness. Employees at all levels refrain from making decisions that potentially go against the Group's interest.

Feralpi's market activity is based on the practice of fair competition, in full compliance with the regulations in force in the countries in which it operates.

3.6. Fairness

The Group bases its relations with its collaborators on the principle of fairness in view of guaranteeing equal treatment and recognition of merit. In its relations with the stakeholders, management is committed to achieving and defending an equal balance of interests.

3.7. Cooperation

Feralpi recognizes the value of cooperation between all those involved in the Group's activity and is committed to developing a team spirit. Effective cooperation is also pursued with external stakeholders, who are offered conditions and practices that encourage dialogue and mutual understanding.

3.8. Diligence and proficiency

Feralpi strives to achieve a high standard of quality in terms of the products and services offered.

Contracts and assignments must be implemented as established by the parties, and aim to make the best use of the collaborators' skills and competences.

Feralpi believes that individual and collective contributions to the work process and its improvement are indispensable for corporate development and personal improvement. Accordingly, the Group promotes the growth of proficiency by means of systematic training programmes at all levels.

3.9. Environmental protection and sustainable development

Being aware that its production activities have an effect on the environment, Feralpi is committed to protecting the internal and external environment to the benefit of all the stakeholders. The Group is committed to the continuous improvement of technology and production practices in order to guarantee compliance with the applicable laws in the various countries in which it operates and to adopt the best available technologies, by all means including research programmes in this field.

3.10. Occupational health and safety

Feralpi guarantees working conditions that safeguard personal dignity, by ensuring compliance with the occupational health and safety laws and seeking wellbeing in the workplace. It does everything it can to improve the work environment in terms of health and safety, adopting advanced production systems and seeking new, improved methods.

Feralpi involves all employees in the processes of risk prevention and health and safety in the workplace, for themselves, their colleagues and outsiders.

4. Rules of conduct

4.1. Rules of conduct in relations with shareholders

The directors make decisions the purpose of which is to create value for the shareholders in the medium-long term. The Board of Directors is fully committed to developing systematic dialogue with the shareholders based on an understanding and distinction of their reciprocal roles.

In carrying out his/her duties envisaged in the Articles of Association, the chairman of the Board of Directors takes steps to ensure that the Board can deliberate with full and prior knowledge of the subjects under discussion – except in cases of proven urgency – and ensures a balanced and in-depth discussion allowing all the directors to make an effective contribution to the proceedings.

Executive directors exercise their powers in accordance with the contents and limits attributed by the Board of Directors, to which they report promptly and exhaustively, each according to his/her areas of competence.

Non-executive directors contribute to the deliberations by providing their specific skills and know-how in such a way as to allow a comprehensive discussion from different perspectives and pro-active confrontation. The only non-executive directors who can be defined as independent are ones who: 1) do not have, nor have had in the previous two years, business relations of significance with companies in the Feralpi Group; 2) do not own large enough stakes to condition the decisions; 3) do not have family ties with anyone in the above conditions.

The directors and auditors treat as confidential all documents and information acquired in the course of their duties. Privileged information, which they are apprised of and can be of relevance for the markets, is handled by the managing director, whose job it is to disclose it to the public if required, and prevent disclosure from taking place selectively, inconveniently, incompletely or inappropriately.

The directors guarantee the effective operation of an internal control system, designed to safeguard the corporate assets, the effectiveness and efficiency of the Group's operations, the reliability of financial data, and compliance with laws, rules and regulations. All employees take steps to ensure that business facts are recorded correctly, truthfully and promptly, and the documentation can always be traced and consulted. The Feralpi Group's financial statements are audited by a leading auditing firm appointed by the General Assembly. It is the job of the Board of Auditors to ensure that the auditing firm remains independent, due to the fact that it also provides other companies in the Feralpi Group with other services. The Board of Directors identifies situations in which a director has an interest of his/her own or on behalf of third parties. All directors undertake to carry out operations with correlated parties or ones in which they act in their own or third-party interests in a transparent manner with the board, in accordance with the criterion of material and procedural correctness.

4.2. Rules of conduct in relations with personnel (employees and collaborators)

Personnel selection procedures are based on universal criteria in respect of equal opportunities and the candidate's private life and opinions. Measures are taken to avoid favouritism and personal privilege in the selection and hiring process.

Feralpi has no recourse to illegal forms of employment. The Recipients involved in personnel selection and recruitment shall ensure that any foreign workers hired either fixed-term or open-ended employment contracts, are in possession of a valid residence permit, and shall monitor that the permits are duly renewed in accordance with the law. When taken on, all employees receive full details of the contract, regulations and remuneration, in accordance with the collective bargaining, and rules of behaviour designed to safeguard health and avoid risks connected with their work. Feralpi adopts a personnel management style based on the acknowledgement of individual and group skills and merits, and rejects all forms of

discrimination based on criteria other than merit. Any collaborator who feels discriminated against due to age, gender, sexual orientation, ethnicity, state of health, nationality, political opinion, religious beliefs, etc. can report this to the Supervisory Board ("the SB"), which will establish whether the Code has been breached. Inequality is not considered discriminatory if based on actual performance criteria.

Skills and work experience acquired by personnel at all levels are considered a strategic resource, which the Group is committed to developing by offering basic and specialist training and refresher programmes for groups and individuals. If an employee receives from his/her superior any requests for personal favours or services other than those involved in achieving the business purpose, this is considered abuse of a position of authority. Each collaborator must be informed of any personal data kept by the Group and the measures adopted to protect them. The Group also guarantees all subjects access to their personal data and agrees to disclose them to third parties only with the subject's consent (except when a legal requirement). Feralpi provides its employees with safe, healthy working conditions and safeguards the physical and moral integrity of its collaborators.

It implements and maintains suitable systems for preventing, identifying and reacting to possible risk situations in view of safeguarding the health and safety of all personnel. The Group is committed to promoting a culture of safety, by developing an awareness of risk management, encouraging responsible behaviour and safeguarding, the health and safety of all its employees and collaborators, by means of preventive action.

4.2.1. Employees' and collaborators' obligations

All collaborators carry out their tasks with commitment, care, a sense of responsibility, loyalty and devotion, in full compliance with the law, contracts, regulations and company directives.

In interpersonal relations, behaviour and utterances that are considered offensive or likely to affect the person's sensitivity with images, insistent allusions and any type of harassment are to be avoided. Coordinators must treat their collaborators with courtesy and respect and promote their professional growth. All collaborators at all level undertake to work diligently to safeguard the corporate assets, adopt appropriate and responsible behaviour, use everything entrusted to him/her scrupulously and sparingly, and avoid improper or unsuitable use of equipment and materials. All personnel are required to treat as strictly confidential any data and information received in connection with their work. Depending on their level of responsibility, they are required to preserve and protect the integrity and confidentiality of and access to the corporate information entrusted to them.

All collaborators must avoid situations leading to a conflict of interest and refrain from drawing personal advantages from business opportunities they learn about in the course of their work. A collaborator must inform the company when he/she carries out external activities that may appear to be in conflict. If the real possibility of a conflict of interest is established, the collaborator must inform his/her superior, who will inform the Supervisory Board, which will establish the actual extent of the conflict of interest. If independent outsiders (e.g. consultants, agents, suppliers, dealers and collaborators in general) engage in behaviour that is incompatible with the principles of this Code, employees must report the case immediately to their superior or the SB and adopt measures to ensure that the misbehaviour ceases.

The SB may, in serious cases, terminate the relationship with the subject involved. All collaborators must comply rigorously with the rules and regulations and legal requirements on health and safety and the environment, and adopt all the measures established by internal rules and procedures. All collaborators must follow the instructions and directives provided by the subjects to whom Feralpi has delegated the task of complying with the safety regulations. All collaborators must take great care in their work and comply rigorously with all the accident prevention and safety rules in order to avoid all risk to themselves and their co-workers.

4.3. Rules of conduct in relations with customers

The companies in the Feralpi Group refrain from arbitrary discrimination against their customers. Their behaviour towards customers is based on openness, clarity, respect, courtesy and an understanding of their requirements, being aware that customer satisfaction and loyalty are invaluable assets of strategic relevance for the Group.

Before an agreement is entered into, customers must display a knowledge of the Code. Any customer feeling discriminated against can inform the SB and have the Code applied correctly.

Customers are prohibited from offering free gifts or favours of any kind to the Group's employees or their families that are likely to induce Feralpi personnel to act against the Group's moral and other interests. Customers are also encouraged to report improper behaviour by either party's personnel.

Likewise, the Group's employees and collaborators are prohibited from offering, either directly or indirectly, free gifts or favours to customers, business courtesies and hospitality, unless the value, nature and purpose of such gratuities are considered legal and ethically correct, to such an extent as not to impair the image of the Group, and the value and nature of the gift are such as not to be interpreted as a means for obtaining favourable conditions for the company. Feralpi guarantees a high standard of quality in the products and services offered, based on contractually recognized and systematically controlled levels.

Feralpi is committed to developing quality and accepts suggestions and claims in view of continuous improvement of its customer relations, which are monitored by means of customer satisfaction surveys. The network of agents used by Feralpi to contact customers is subject to the above rules of conduct.

4.4. Rules of conduct in relations with suppliers

The companies in the Feralpi Group refrain from arbitrary discrimination against their suppliers and treat them according to the principle of equal opportunities. The Group acts in accordance with the rules of fair competition in all contracts, and personnel in the buying department must allow anyone in possession of the requisites to bid for contracts. Before an agreement is entered into, suppliers must display a knowledge of the Code. Collaborators dealing with suppliers at various levels must refuse gifts or favours of any kind and value in their dealings, unless of a purely symbolic value and refrain from granting, either directly or indirectly, benefits and gifts to suppliers, business courtesies and hospitality, unless the value, nature and purpose of such gratuities are considered legal and ethically correct, to such an extent as not to impair the image of the Group, and the value and nature of the gift are such as not to be interpreted as a means for obtaining favourable conditions for the company. In view of pursuing corporate sustainability and complying with the ethical principles, Feralpi introduces for certain supplies environmental and/or social requisites (e.g. the presence of an environmental management system or protection of the rights of workers upstream). These aspects may be governed by contract clauses, the breach of which leads to automatic sanctions agreed by both parties.

As a general rule, supply relationships must be compliant with and justified by specific internal needs that are authorised by persons entrusted to take on a spending commitment.

The stipulation of agreements with a suppliers must always be based on relations of the utmost clarity, avoiding, where possible, any form of dependence.

Feralpi expressly bans the approval of any debit invoices issued to cover services that are, wholly or partly, simulated or non-existent, and in general ones aimed at circumventing tax obligations.

4.4.1. Suppliers' obligations

Suppliers are required to operate in accordance with the regulations on contracts, social security contributions, health and safety in the workplace and environmental protection. Feralpi monitors and verifies correct application of the statutory regulations on the part of suppliers. These aspects are included

in the contract provisions and breach of contract may lead to the application of sanctions and/or termination of the contract. Suppliers are prohibited from offering free gifts or favours of any kind to the Group's employees or their families that are likely to induce Feralpi personnel to act against the Group's moral and other interests. Suppliers are also encouraged to report any improper behaviour by either party's personnel.

Suppliers must not use child labour or non-consenting adults in carrying on their business.

4.5. Rules of conduct in relations with the public administration

In full compliance with the law, Feralpi collaborates with the peripheral and central organs of the public administration, market control authorities, environmental agencies, labour inspectorate and other public bodies in general, and provides clear, exhaustive and timely information.

Being aware of the complexity of the problems resulting from constant changes in the law and from the obligations of a large group in its relations with the various branches of the public administration, Feralpi is committed to adopting behaviour that is transparent and respectful. Whenever required, Feralpi offers its skills to help establish shared solutions based on mutual good faith. Feralpi adopts a transparent, rigorous and consistent policy to protect its interests in its relations with public national and international institutions.

In their dealings with said institutions, employees and collaborators abstain from directly or indirectly offering money and other favours to the public official involved, his/her family and subjects in any way connected with him/her, and from entering into personal relations involving favours, influence or interference in order to condition their activity, either directly or indirectly.

Feralpi rejects any behaviour that can be interpreted as a promise or offer of payment, goods or other utilities of any kind in view of promoting its interests and taking advantage thereof.

Gifts and gratuities are only permitted if of a low value and only if they cannot be interpreted as a way of receiving illegitimate favours, and they still require the directors' explicit authorisation.

The Group prohibits the solicitation of free gifts, gratuities or favours of any kind, including ones in favour of third parties, from representatives of the central and local public administration, control bodies and public institutions of any kind. Any employee who receives direct or indirect offers from public officials, public service representatives or employees in general of the public administration or similar public institutions must inform the SB immediately, if a Feralpi employee, or his/her employer, if a collaborator.

Feralpi adopts specific organisational models and control procedures to prevent crimes against the public administration, in accordance with the provisions of Law no. 190/2013 "Measures to prevent and combat corruption and illegality in Public Administration". In international business transactions Feralpi acts in accordance with the OECD Convention on Combating Bribery of Foreign Public Officials.

Feralpi undertakes to promptly make any tax statements and payments to the competent tax authorities pursuant to the law, and prepare and send the competent authorities tax returns that do not contain false, incomplete or untrue information for tax evasion purposes.

4.6. Rules of conduct in relations with the community

Feralpi guarantees that all its subsidiaries aim to safeguard the environment in pursuing their objectives. To this end, it has drawn up environmental and sustainable development policies, keeps abreast of changes in the environmental laws and provides suitable guidelines. The environmental policy is pursued in the awareness that protection of the environment gives a competitive edge in an increasingly sensitive and demanding market and in a sector characterised by good innovation potential. In line with this approach, Feralpi adopts environmental management systems aiming at the continuous improvement of performance and safety, in accordance with international standards.

Feralpi considers of strategic importance the quality of relations set up at a local level between its plants and the reference areas, and promotes constructive talks with representatives of the local authorities.

Feralpi draws up and publishes a periodic sustainability report detailing its activities and the result of its commitments with all the stakeholders.

Further evidence of the emphasis the Group places on the local community is the fact that it sponsors initiatives in support of the quality of life, socially relevant activities and ones of a particular ethical value that are compatible with the corporate values.

5. Method of application

5.1 Supervisory Board

The application of and compliance with the Code of Ethics and Business Conduct are monitored by the Supervisory Board.

Breach of the Code can be reported at any time to the SB or the person in charge of internal control, who are required to keep the reporting party's identity secret, unless the law requires otherwise. Like all other breaches of the Code identified as the result of other verification activities, reported breaches are assessed promptly by the Supervisory Board to allow disciplinary measures to be taken, if necessary.

5.2. Sanctions

For Feralpi employees, compliance with the rules set out in the Code is an essential part of their contract obligations. Breach of the rules therefore constitutes failure to fulfil the primary obligations of the employment agreement or a disciplinary offence, and entails the adoption of provisions proportionate to the gravity of the violation, whether it is a first time or repeat offence, or the degree of negligence involved, in accordance with the provisions of art. 7 of the Workers' Statute. Such breach may have legal consequences, even with respect to maintenance of employment and payment of damages. The provisions of the Code also apply to temporary workers, who are obliged to respect them. Breaches are subject to disciplinary measures brought against the perpetrator by his/her employers. Violation of the code by directors and auditors may lead to the Board of Directors or the Board of Auditors, respectively, adopting action proportionate to the gravity of the violation, whether it is a first time or repeat offence, or the degree of negligence involved, and may result in a proposal that General Assembly revoke the subject's mandate for just cause. Breach of the Code by suppliers, collaborators, independent consultants and Recipients other than the above-mentioned subjects is considered a serious offence, which, if the relationship is regulated by a contract, may result in the legal termination of said contract, in accordance with the law and the contract terms and conditions, without prejudice to the right to claim for damages and take legal proceedings if the breach constitutes a criminal offence.

5.3. CSR Unit

The Board of Directors of Feralpi Holding has set up a CSR (Corporate Social Responsibility) Unit, whose job it is to:

1. promote awareness and understanding of the Code, in agreement with the personnel manager;
2. verify consistency of the internal rules with the principles of the Code;
3. assess the effectiveness of the management and control instruments in guaranteeing compliance with the principles of the Code, in agreement with the Supervisory Board;
4. propose revisions to the Code, when deemed necessary;
5. promote Group sustainability reporting;
6. report once a year to the Board of Directors on the state of implementation of the Code by the companies in the Group.

The CSR Unit is coordinated by the CSR manager, using internal and external resources.

