

Guidelines

Model of
organisation,
management, and
control pursuant to
Italian Legislative
Decree 231/2001





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1. Premise

This document summarises the contents of the Organisation, Management, and Control Model adopted by Ferriere Nord S.p.A. pursuant to Italian Legislative Decree 231/2001 (hereinafter, for the sake of brevity, also referred to as the “Model”), in order to highlight its main aspects and objectives.

This document is therefore to be considered as a summary for disclosure purposes; it does not replace the Model currently being implemented.

2. Ferriere Nord S.p.A.

Ferriere Nord S.p.A. (hereinafter, for brevity, ‘Ferriere Nord’ or the ‘Company’) is the main industrial entity of the Pittini Group, an international leader in the production of steel for the construction and engineering industry.

3. Italian Legislative Decree Number 231/2001 and the relevant legislation

Legislative Decree dated June 8 2001, number 231 (hereinafter, for the sake of brevity, also referred to as “Legislative Decree 231/2001” or the “Decree”), introduced into the Italian legal system the criminal liability of entities for certain types of offences, exhaustively indicated by the Decree (hereinafter, the “Presumptive Offences” or also only “Offences”), committed, in the interest or to the advantage of the entities themselves, by individuals who hold senior positions or are subject to the direction of others.

The Decree provides for the possibility of entities being exempted from this form of liability in the following instances:

- a) the management body has adopted and effectively implemented, prior to the perpetration of the offence, an organisational, management, and control model suitable to prevent the perpetration of the Offences;
- b) the task of supervising the functioning, effectiveness, and observance of that model, as well as ensuring that it is updated, has been entrusted to an internal body endowed with autonomous powers of initiative and control;
- c) natural persons have committed the Offence by fraudulently evading the Organisation, Management, and Control model;
- d) the Offence was committed without any or insufficient supervision by the body referred to in point b) above.



4. The creation and updating of the Model

In order to be in compliance with the provisions of Italian Legislative Decree number 231/2001, Ferriere Nord S.p.A. has undertaken to prepare an Organisation, Management, and Control Model that is consistent with the peculiarities of its business, in line with the existing governance system and policies, in order to strengthen the controls that enable the Company to prevent the commission of the alleged offences and to raise the awareness of all the individuals who cooperate, in various capacities, with the Company.

The adoption of Ferriere Nord's Organisation, Management, and Control Model was preceded by a series of preparatory activities divided into different phases, aimed at building a risk prevention and management system, in line with the provisions of Italian Legislative Decree number 231/2001 and inspired, in addition to the rules contained therein, by the Guidelines of Confindustria (Confederation of Italian Industry).

For this purpose, the Company has carried out, specifically, a preliminary analysis of its corporate context (also called as-is analysis), in order to identify the areas of activity that present potential risk profiles in relation to the perpetration of the Offences indicated by the Decree (also known as risk assessment).

The analysis that was completed made it possible to identify the sectors potentially subject to the perpetration of the Offences, in relation to which adequate control and operating procedures have been defined for the reduction and mitigation of the risk of committing the Offences.

5. The structure of the Model and the recipients

Ferriere Nord's Organisation, Management, and Control Model - in addition to the Code of Ethics, which forms an integral and substantive part of it - consists of:

- a) a general section, the purpose of which is to describe the contents of the Decree, the alleged offences, possible penalties and conditions for exemption from liability; sensitive processes; the requirements and role of the Supervisory Board; information flows; training and information; the disciplinary system;
- b) several special sections, which describe, with reference to specific Offences, the protocols, rules, and principles of control and conduct that are appropriate in governing the activities for which a potential risk of the perpetration of the Offences has been identified.

The Model which Ferriere Nord has adopted is addressed to all employees, collaborators, clients, suppliers, partners, and all other individuals who act in the name of and/or on behalf of the Company or who have an employment or collaboration relationship with the Company, including those of a non-subordinate nature (the "Recipients").



6. The organisational structure, control, and prevention systems

Ferriere Nord's organisational structure is geared towards ensuring the separation of tasks, roles, and responsibilities between operational and control functions in order to ensure maximum efficiency.

There is also a system of powers of attorney and proxies, which is adequately publicised, within which powers of representation are conferred within defined limits and responsibilities are duly distributed.

There is also an internal procedural framework, consisting of protocols and procedures, operating instructions, and internal communications aimed at clearly and effectively regulating business processes.

The Model also becomes part of the more extensive internal control systems of Ferriere Nord S.p.A., consisting mainly of:

- 1) the individual company departments and the heads of each area;
- 2) specific control systems, with regard to certain sensitive activities, particularly - and by way of example - in the areas of the environment, health and safety in the workplace, financial flows, and Information Technology;
- 3) the Supervisory Board and the Audit Committee.

7. The Supervisory Body (SB)

According to the provisions of Italian Legislative Decree number 231/2001, the individual entrusted by the management body with the task of supervising the operation of and compliance with the Model, as well as ensuring that it is kept up-to-date, must be *"a department of the entity and have autonomous powers of initiative and control"*.

The requirement of autonomy of the powers of initiative and control held by the Supervisory Board is guaranteed:

- by its hierarchical independence in relation to the corporate structures over which it is called upon to supervise, being in a staff position, and reporting to the top management;
- the absence of operational tasks;
- financial autonomy, deriving from the allocation of an annual expenditure budget, established by resolution of the Board of Directors, in consideration of the requests submitted by the Supervisory Board.

In addition to the autonomy of initiative and control powers required by the Decree, Ferriere Nord S.p.A. has decided to align itself with the Confindustria Guidelines as well as the relevant case law, which also specify as necessary the requirements of professionalism and continuity of actions.

The Supervisory Body is assigned the task, among others, of supervising:

- compliance with the provisions of the Model by the Recipients in relation to the different types of Offence;
- the actual effectiveness and suitability of the Model in relation to the corporate structure and the actual ability of the latter to prevent the perpetration of Offences;
- the opportunity to update the Model, in connection with modified company conditions and new legislative and regulatory provisions.



8. Reporting

In accordance with the provisions of Italian Legislative Decree 231/2001, the Model adopted by Ferriere Nord S.p.A. provides for a dual system of information channels designed to enable the transmission of reports to the Supervisory Board.

An electronic mailbox has been activated to enable the flow of information, to and from the Supervisory Board, and to enable the Supervisory Board itself to carry out its investigation and control activities.

Moreover, pursuant to Italian Law number 179 dated 2017 (also known as “whistleblowing”), an additional e-mail address has been activated to allow employees to make anonymous reports to the Supervisory Board if employees have relevant information on unlawful conduct or violations of the Model or the Code of Ethics.

9. Training of resources and dissemination of the Model

In order to ensure the effectiveness of the Model, it is the objective of Ferriere Nord S.p.A. to ensure that both the resources already working in the company and those to be recruited are properly trained in the rules of the Model, with differences in the degree of knowledge required in relation to the different levels of involvement of those resources in sensitive processes.

The information and training system is supervised and supplemented by the activity carried out by the Supervisory Board in cooperation with the competent corporate functions.

The adoption of the Model is communicated to all the resources present in the company.

In addition, the Code of Ethics and the Model, both the general part and the special part, have been made available to all employees of Ferriere Nord S.p.A. on the company websites specifically designed for this purpose.

The Code of Ethics is also available on the website www.pittini.it

10. Disciplinary system

The Model constitutes a set of rules with which all the Recipients are obliged to comply, also in compliance with the provisions - with specific reference to the Company's Employees - of the respective National Collective Labour Agreements concerning rules of conduct and disciplinary penalties.

Violation of the requirements of the Model, the implementation protocols, and the Code of Ethics results, in fact, in disciplinary proceedings and the application of the relevant sanctions, pursuant to the law and the applicable National Collective Labour Agreement.

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STEEL AHEAD