

SMS Concast Italia S.p.A.



Code of Ethics and Conduct

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1. Introduction

1.1 Foreword

SMS Concast Italia S.p.A. (hereinafter also referred to as the Company) was established in 2008 and is active in the field of design and creation of flowing furnaces, arc furnace, industrial furnaces in general and auxiliary systems. The Company belongs to the SMS Group, which operates at world-wide level in the field of design and manufacturing of systems and machinery for the industrial processing of metals.

SMS Concast Italia currently runs highly structured and diversified activities, aimed at meeting customers' needs by designing and creating dedicated products for them.

The Company carries on its activity in a particularly complex and constantly evolving national and international institutional, economic, political, social and cultural framework. In order to achieve success in the face of such complexity, the Company believes that it is particularly important to define clearly all the values inspiring it and of which it intends to ensure the application.

For this reason, this Code of Ethics and Conduct (hereinafter the Code), which is part of a more complex Organisation, Management and Control Model in accordance with the Italian regulations envisaged in Legislative Decree no. 231/01 and subsequent amendments (the Decree) was prepared. Compliance with the Code is of fundamental importance both for the proper functioning and the reliability of the Group and for safeguarding its prestige, its image, and its know-how, which factors are a decisive heritage for the success of the enterprise.

Thus, the Code includes a set of values and guidelines that must be observed by everyone coming into contact with SMS Concast Italia or, in more general terms, all Stakeholders in respect of SMS Concast Italia.

1.2 General principles

All SMS Concast Italia's activities in accordance with the ethical principles referred to in this Code, wherever they are carried on, either in Italy or abroad, must be conducted in accordance with whatever law is applicable from time to time, in a framework of loyal competition . with honesty and integrity and on good faith, respecting the legitimate interests of the Company's Stakeholders, Customers, Consumers, Employees, Shareholders and sales and financial partners and of the communities in which SMS Concast Italia is present with its activities. Everyone working for and active in the Group, with no distinctions or exceptions, are bound to observe said principles and to have them observed in the framework of their functions and responsibilities.

All the actions, transactions and negotiations carried on and, in general, the behaviour exhibited by the Recipients (as defined in greater detail under point 1.3 below) on performing working activities must draw inspiration from the applicable regulations and internal procedures.

SMS Concast Italia also operates in the framework of the principles aimed at safeguarding the freedom and dignity of human beings according to the UNO (United Nations Organisation) Universal Declaration of Human Rights and to the fundamental conventions of the ILO (International Labour Organization).

1.3 Recipients and field of application of the Code

The Code must be observed by all Directors, Members of the Board of Auditors, Statutory Auditors, Management, Employees, Staff Members (understood to mean consultants, agents, operators, partners and Staff Members generally speaking), referred to collectively hereinafter as the Recipients.

Each Recipient is under the obligation to be aware of the Code, to contribute actively towards implementing and promoting it and to report any shortcomings and/or breaches. The Company, on its part, undertakes to promote knowledge of the Code among the Recipients by means of suitable information and training procedures.

The Code is brought to the knowledge of everyone with whom the Group has business relations.

SMS Concast Italia censures any behaviour contrary to the values, the principles and the provisions prescribed by the Code, even when such behaviour is based on the assumed certainty of acting for the benefit or in the interests of the Group or its single companies.

Compliance with the provisions of the Code must be considered a material part of the Recipients' contract obligations.

The principles and the contents of the Code render explicit, by way of example, the obligations of diligence, loyalty and impartiality that quality correct performance of work activities and the behaviour and conduct that the Recipients must exhibit with regard to the Company.

Breaches of the provisions of the Code may constitute failures to meet the obligations underlying the employment relationship or a breach of discipline, with all the relevant legal consequences, and may also entail indemnification of the damages arising out of it.

For the purpose of observing the Code in full, Recipients may contact their superiors and/or, directly, the Supervisory Body ("Supervisory Body" or "SB") established by SMS Concast Italia in accordance with the Decree, at the addresses and following the procedures referred to in Section 10 below.

1.4 The commitments and the obligations called for in the Code: SMS Concast Italia

SMS Concast Italia shall observe the contents of the Code in proposing and implementing projects, operations and investments useful for increasing in the long term the assets and management and technological values of the Company and thus the wellbeing of its Directors, Management, Employees, Shareholders and Stakeholders as well as society as a whole.

In order to achieve these aims effectively, SMS Concast Italia will take every appropriate step to ensure:

- the greatest possible circulation of the Code among its Recipients and third parties with whom SMS Concast Italia has business relations;
- that every possible tool is placed at disposal for improving knowledge of the Code and for clarifying the interpretation and implementation of the rules contained therein;
- that the Code is up-dated, adapting it to the evolution of the reference values and regulations and that it is amended, if necessary, in the event of serious breaches of it or in case of changes in the organisation and activities of SMS Concast Italia;
- that regular or specific checks are carried out, also as the result of information concerning breaches of the rules of the Code;
- that the facts are evaluated and, if it is found that there has been a breach, consequent implementation of suitable sanctions;
- immunity from retaliation of any kind for anyone providing in good faith information concerning possible breaches of the Code or of the reference regulations or who has assisted in good faith SMS Concast Italia in investigating such breaches.

1.5 The commitments and the obligations called for in the Code: Directors and Management

In setting the goals for the Company, the Directors shall draw inspiration from the principles and values indicated in the Code.

It is, first and foremost, the duty of the Directors and Management to apply the values and the principles of the Code, taking their respective responsibilities both within and outside the Group.

They have the following tasks:

- of constituting, with their behaviour, an example for their colleagues within the Company and for the Employees and Staff Members in general;
- of steering the Employees and Staff Members to observe the Code and prompt them to raise questions with regard to application of its provisions;
- of ensuring that Employees and Staff Members understand that compliance with the provisions of the Code is an essential part of the quality of their work activities;
- of selecting carefully, in so far as they are responsible, the Employees and Staff Members and all those who act in pursuit of the Company's goals, taking care that assignments are entrusted to people who are absolutely reliable with regard to their commitment to observe the Code;
- of reporting promptly their comments and information acquired directly or indirectly or from outside sources concerning possible cases of breaches of the Code to the Board of Directors and/or to the SB at the addresses and in the manner indicated under point 10 below;
- of adopting immediate corrective measures if warranted by the situation;
- of preventing reprisals of any kind against anyone who has supplied in good faith information concerning possible breaches of the Code or of the reference regulations or who has assisted in good faith SMS Concast Italia in investigating such breaches.

1.6 The commitments and the obligations called for in the Code: Employees and Staff Members

In carrying out their duties and assignments, the Employees and Staff Members are bound to comply with the principles and rules of the Code.

In particular, Employees have the following obligations:

- to abstain from behaviour that is contrary to the Code;
- to co-operate for the purpose of investigating possible breaches of the Code;
- to turn to their direct superiors and/or directly to the SB, at the addresses and in the manner referred to under point 10 below for explanations as to how the Code is to be applied;
- to report promptly to the SB and/or to their direct superiors at the addresses and in the manner referred to under point 10 below:
 - (i) any information, noted directly or passed on to them by others, concerning possible breaches of the Code;
 - (ii) any occasions on which they were asked to breach the Code.

1.7 Obligations towards third parties

In the framework of their responsibilities, the Directors, the Management and all Employees shall, in their contacts with third parties who have business relations with SMS Concast Italia:

- inform them sufficiently concerning the commitments and obligations prescribed by the Code;
- require that they comply with the provisions that concern directly the activities of the third parties in question;
- take all the appropriate action internally and, if this falls within their responsibilities, externally, in the event of failure by third parties to comply with or inexact compliance with the obligation to observe the Code.

2. Relations with personnel

2.1 Human resources

The Company' human resources are essential for its very existence. The dedication and professional qualities of the Directors, Management Employees and Staff Members are decisive values and conditions for achieving the Company's goals.

SMS Concast Italia offers everyone the same opportunities to work and grow professionally, making sure that everyone receives fair treatment based on criteria of merit and with no discrimination of any kind.

The Company undertakes to develop the skills and competence of its Management and Employees so that, in the framework of their working activities, the energy and creativity of each individual can be expressed in full in order to achieve their full potential.

SMS Concast Italia arranges to:

- apply criteria based on merit and skill, and in any case strictly professional criteria, for any decision concerning a member of its Management, an Employee or a Staff Member;
- select, hire, train, remunerate and manage its Management, Employees and Staff Members without discrimination of any kind;
- create a work environment in which the personal features of each person cannot give rise to discrimination.

The Company protects the psychological and physical integrity of its workers and respect for their personalities, not allowing them to be subject to unlawful conditioning or undue discomfort.

SMS Concast Italia expects its Management, Employees and Staff Members cooperate with one another in order to maintain an atmosphere within the Company of respect for the dignity, the honour and the reputation of each and every one of them, and to intervene in order to prevent injurious or defamatory attitudes.

2.2 Discrimination and harassment at the workplace

Each member of the Management, Employee and Staff Member is entitled to work in an environment free of any type of discrimination based on race, ethnic or national origin, invalidity, language, religion, class, age, gender, sexual orientation, trade union or political membership, or of any other nature.

SMS Concast Italia acknowledges in particular that diversities are a value for the Company and for the Group.

SMS Concast Italia requires that internal and external work relations be based on the utmost correctness and that there be no harassment, this being understood to mean:

- the creation of an intimidating or hostile work environment or of isolation of individual workers or groups of them;
- obstruction of the individual prospects of others at work merely for reasons of personal competition or for reasons of discrimination.

SMS Concast Italia does not permit and does not tolerate sexual harassment, taken to mean:

- subordination of activities and behaviour of significance for the working life of the person being harassed to the acceptance of sexual favours;
- proposing private interpersonal relations, even though expressly or reasonably obviously not appreciated, and capable – in relation to the specific nature of the situation – of upsetting the harassed person with an obvious impact on their work;
- any undesired act or behaviour, also of a verbal nature, having sexual undertones capable of offending the dignity and freedom of the person being harassed, or that is liable to give rise to reprisals or an intimidating atmosphere to the prejudice of the person being harassed.

2.3 Abuse of alcohol and/or narcotics, ban on smoking

SMS Concast Italia promotes and maintains an atmosphere of mutual respect in the work environment, and in this respect special attention is paid to conditions that take the sensitivity of other people into account.

Being under the effect of alcoholic or narcotic substances or other substances having similar effects during work or at places of work will be considered negligence in taking the risk of prejudicing such environmental features.

The following are specifically banned:

- obtaining, consuming, offering or transferring in any way alcoholic and/or narcotic substances or other substances having a similar effect, during work or at places of work;
- smoking at places of work. SMS Concast Italia is in favour of activities aimed at identifying areas set aside for smokers, thus protecting Employees from exposure to passive smoking.

3. Business conduct

3.1 General principles

In managing its business and business relations, the Company draws inspiration from principles of legality, loyalty, correctness, transparency, efficiency and openness towards the market.

All operations and sales transactions must be correctly recorded, authorised, checkable, legitimate, consistent and appropriate.

Recipients whose actions may in some way be referred to the Company shall exhibit correct behaviour in business of interest to the Company and the Group and in relations with the Public Administration, regardless of how competitive the market and how important the business being negotiated may be. It is forbidden to offer money or gifts to Italian or foreign Public Administration managers, executives or employees or to their relatives, unless they are gifts of limited value.

Practising corruption, unjustified favours, collusive behaviour and soliciting either directly or through third parties of sums of money not due or other personal or career benefits for oneself or others are strictly prohibited. They may constitute breaches of discipline with all the consequences according to the law and to the collective employment contract, if applicable, also with regard to continued employment, and could also lead to indemnification of any damage arising out of such behaviour.

The Company's economic resources and assets must not be used for unlawful or incorrect purposes or even only of doubtful transparency. No advantage may be caused to SMS Concast Italia by illegal practices or unlawful financial favours or of any other type.

3.1.1 Obligation not to compete

SMS Concast Italia acknowledges and respects the right of its Directors, Management, Employees and Staff Members to take part in business deals or Company, provided same are activities permitted by law, that do not affect the professional activity carried on to the benefit of SMS Concast Italia and are compatible with the obligations entered into in respect of the Company.

3.1.2 Conflict of interests

The Recipients must pursue, each in carrying on their own activity, the goals and the general interests of the Company.

Consequently, they shall abstain from carrying on activities as a result of which they (or their close relatives) would or could be stakeholders in matters conflicting with the interests of SMS Concast Italia or that might interfere with their ability to reach decisions in an impartial manner in the best interests of SMS Concast Italia and respecting in full the provisions of the Code.

In the event that it is not possible to avoid a conflict of interests, the Directors, Management and Employees who are stakeholders in matters

conflicting with the Company's interests are bound to inform without delay the appropriate bodies.

In particular, Directors must inform the other Directors of any interest they may have, either for their own account or for third parties, in any given transaction; if the Director in question is a Managing Director, he/she shall abstain from the transaction in question.

The Directors, Management and the Employees shall respect the decisions reached by the Company in such matters.

The following situations, listed by way of example and not limited to same, give rise to conflicts of interest:

- a Recipient's economic or financial interest and/or of a third parties to whom they are linked by family ties, friendship or courtesy in the activities of suppliers, Customers or competitors, except as expressly authorised by the Company;
- use of the position of Director/ member of the Management/ Employee/Staff Member of the Company or of information acquired in exercising their responsibilities or attributions in order to pursue their own interests and/or those of third parties to whom they are linked by family ties, friendship or courtesy, in conflict with the interests of the Company;
- performance of work activities of any type care of Customers, suppliers or competitors;
- acceptance of money, favours or benefits from persons, companies or organisations that do or intend to do business with SMS Concast Italia.

3.1.3 Gifts or other benefits

It is not permitted, while carrying on work activities or representing SMS Concast Italia, even if not for the purpose of obtaining profit or an advantage, to give or offer, either directly or indirectly, gifts, payments, material benefits or other benefits of any kind to Customers, suppliers, public servants or any third parties in general.

Acts of business courtesy, such as gifts or forms of hospitality, are permitted when they are of limited value and in any case such that they do not prejudice the integrity or the reputation of any of the parties and that they cannot be interpreted by an impartial observer as having the purpose of improperly acquiring advantages. In any case, this type of expense must always be authorised by the appropriate Company function and documented in a suitable manner.

Recipients acting on behalf of SMS Concast Italia who receive gifts or special treatment not directly attributable to normal relations of courtesy shall inform their direct superiors and/or the SB promptly at the addresses and in the manner referred to under point 10 below.

3.2 Relations with Authorities and Public Institutions

In their relations with the Italian or foreign Authorities and Public Institutions, with their executives and employees, with public officials and public servants with

whom SMS Concast Italia has contacts in the framework of its activity Recipients whose actions may in any way be referred to the Company shall observe closely the principles of this Code and of the applicable regulations and in any case with correctness and transparency.

Practising corruption, unjustified favours, collusive behaviour and soliciting either directly or through third parties personal or career benefits for oneself, for SMS Concast Italia or others are strictly prohibited and may be punished in accordance with the provisions of the Code, of law or of the applicable collective employment contract.

In the framework of its activity, SMS Concast Italia co-operates in full, in a transparent and active manner, with Italian and foreign Authorities and Public Institutions, with their executives and employees and with public offers and public servants.

3.3 Relations with political and trade union institutions

SMS Concast Italia does not pay either direct or indirect contributions or in any other form to political parties, movements, committees or political and trade union organisations, their representatives or candidates except in the framework permitted by current legislation and in accordance with the principle of transparency. In any case, this type of expense must be authorised in advance by the Board of Directors and supported by adequate documentation.

3.4 Relations with the mass media, market research companies, professional associations and other organisations likened to them

All information sent outside and which can be referred directly or indirectly to SMS Concast Italia must be complete, truthful and transparent.

Relations with the mass media, market research companies, professional associations and other organisations likened to them are maintained solely by those functions and persons in charge of the company delegated to do so, and within the limits of the specific powers granted to them.

No other Employees apart from those delegated specifically to do so, may give information to representatives of the mass media, market research companies, professional associations and other organisations assimilated to them, or undertake to give them, without the prior authorisation of the Managing Director.

In no way may Recipients whose actions could in be referred in any way to SMS Concast Italia offer payments, gifts or other benefits aimed at influencing the professional activities of functions, organisations, companies or associations referred to here or that could reasonably be interpreted as such.

3.5 Funding of third parties by SMS Concast Italia

In the event of payment of economic contributions or any other form of funding or direct or indirect support provided to companies, individuals or organisations, SMS Concast Italia shall pay the utmost attention to the aims and to the actual use of such contributions, so as to avoid the risk of involvement in transactions having unlawful purposes.

3.6 Public funding or contributions requested by the Company

In the event that SMS Concast Italia should apply for public funding, special tax facilities or contributions or other forms of benefits for which specific requisites are necessary, it is explicitly under the obligation to proceed with truthfulness, correctness and transparency and observing in full the applicable laws.

Similarly, in the event that such benefits are provided, it is explicitly under the obligation to use such payments for the specific purpose for which they were authorised, notifying immediately and formally the organisation providing the funds if any of the conditions essential for receiving the funds/contribution should cease to exist.

3.7 Relations with Customers

SMS Concast Italia pursues its success as a business on the markets by offering quality products and services, observing the applicable regulations and respecting the market and its Customers.

Meting customers' needs is a founding principle of the Group's mission.

To this end, the Management and Employees of SMS Concast Italia are therefore under the following obligations:

- to observe scrupulously all the regulations and the internal procedure concerning management of relations with Customers;
- to provide, with efficiency and courtesy and within the limits of the relevant contract provisions, products of quality that meet the reasonable expectations and needs of customers;
- to provide accurate and exhaustive information about its products and services, so that customers can reach conscious decisions;
- to abide by the truth and clarity in business communications with Customers.

3.8 Relations with business partners and with the Market

SMS Concast Italia pursues its aims by offering innovative high-quality and competitive products and services, observing in full all the regulations for safeguarding the market.

To this end, and subject to observance of the principles of the Code of Ethics, the Employees are therefore under the following obligations:

- to co-operate with business partners, observing the contract provisions;
- to provide accurate and exhaustive information concerning the products offered, observing the principles of transparency, and also that of business confidentiality;
- to abide by the truth, clarity and completeness in business communications towards the market.

3.9 Relations with suppliers

Insofar as they are responsible, Recipients are under the obligation to check that the conduct of suppliers is kept constantly in line with the ethical standards of this Code.

SMS Concast Italia acknowledges that the attention paid to selecting and monitoring the Company's suppliers is an essential aspect for offering quality products that are safe and competitive on the market. If there are well-grounded doubts as to the ethical behaviour and compliance with the above principles on the part of a supplier, SMS Concast Italia will take the appropriate steps without delay.

With regard to tenders, purchase agreements and, generally speaking, contracts for the supply of goods and/or services, the Recipients are under the obligation, insofar as they are responsible:

- to observe scrupulously all the rules and internal procedures for selecting suppliers and managing relations with them;
- not to preclude the possibility for any supplier with the necessary requisites to compete for the purpose of supplying the Company, adopting for the purposes of the selection objective criteria of fairness and transparency;
- to choose suppliers on the basis of the Company's needs, with the aim of obtaining the best possible conditions in terms of quality, safety and costs of the products and/or services offered;
- to obtain the utmost co-operation of suppliers in ensuring constantly that the needs of di SMS Concast Italia and its consumers in terms of quality, safety, costs and delivery times, to an extent at least equal to their expectations;
- to keep up a frank and open dialogue with suppliers, in line with good business customs;
- to bring to the knowledge of direct superiors and/or of the SB, at the addresses and in the manner referred to under point 10 below, any behaviour of suppliers contrary to the provisions of the Code.

3.10 Relations with competitors

SMS Concast Italia reiterates that in managing its business and business relations it is inspired by principles of loyalty, legality, correctness, transparency, efficiency and safeguarding of the markets and competition.

SMS Concast Italia pursues success as a business on the market in particular by offering innovative and competitive products and services, observing in full all the national and international regulations for safeguarding loyal competition.

In particular, in the framework of the applicable national and international rules governing competition, SMS Concast Italia's activities and the behaviour of those Recipients whose actions could in any way be referred to the Group must be inspired by full autonomy and independence from the conduct of SMS Concast Italia's competitors on significant markets.

In this respect, with regard to compliance with the applicable regulations, special attention is paid to the possible hiring of employees who have worked previously for companies competing with SMS Concast Italia and to observance of the industrial patent rights of competing companies and of third parties in general.

4. Transparency of the accounts

The principle of transparency in book-keeping entries does not concern only the doings of the Management and of the Employees of the administrative departments. It applies to each and every member of the Management and Employee, regardless of the context in which they work within the company.

Transparency of the accounts is based on the truthfulness, clarity and completeness of the basic information for the relevant book-keeping entries.

The Management and Employees are therefore bound to co-operate so that the facts concerning management of the Company are shown correctly and promptly in the accounts.

For each transaction, suitable supporting documentation is kept in the records so as to enable:

- easy recording in the accounts;
- identification of the various levels of responsibility;
- an accurate reconstruction of the transaction, also in order to lower the probability of errors in interpretation.

Each entry must show exactly what is indicated in the supporting documentation. Each member of the Management and each Employee is responsible for ensuring that the documentation is easily traced and kept in an orderly manner, according to logical criteria and on the basis of the procedures defined by the Company.

Any Directors, members of the Management and Employees who become aware of omissions, falsification or negligence in the accounts or in the documentation on which the book-keeping entries are based are under the obligation to report the facts to their direct superiors (if any) and/or to the SB at the addresses and in the manner referred to under point 10 below.

5. Relations with the Market

5.1 Information and news

SMS Concast Italia is committed to providing truthful, prompt and accurate information that is transparent towards the outside.

In this respect, communications are entrusted solely to the appropriate function. If, as a result of business opportunities, the Recipients called upon to illustrate or to provide the market with corporate information concerning SMS Concast Italia and its goals, activities, results and points of view by the following means, by way of example:

- attending meetings, congresses and seminars;
- drafting articles, essays and publications in general;
- speaking in public;

they are under the obligation to obtain authorisation by the appropriate function or by the Managing Director with regard to the texts or reports prepared for that purpose and the lines of action intended to be followed, and to act within the framework of the company procedures defined for this purpose.

5.2 Privileged information

Any information or other material obtained by a Recipient with regard to his/her work is the sole property of the Company.

Such information concerns current and future activities, including knowledge that has not yet been circulated and information and announcement even if intended to be disclosed in the near future.

Pursuant to the applicable regulations, an insider is a person who, as a result of his/her function, profession or office, has access to privileged information concerning the Company, as may originate, in particular, from taking part in decisions or attending meetings, presentations and informal talks.

For this reason it is forbidden, when one is aware of significant information that is not in the public domain, to use such information to one's advantage or to that of relatives, acquaintances and, generally speaking, third parties, also for the purpose of purchasing or selling securities issued by Companies belonging or otherwise to the Group.

6. Protection and use of Company assets

The Company assets of SMS Concast Italia consist of tangible assets such as, for example, buildings and furniture, infrastructures, equipment, motor cars, machinery and computers, and intangible assets such as, for example, confidential information, know-how and technical knowledge, developed and circulated to and by members of the Management and Employees and rights arising out of licences, trademarks and patents.

The security, that is to say the protection and keeping of these assets is an essential value for safeguarding the interests of the Company.

Each member of the Management and each Employee is personally responsible for maintaining such security, by respecting and circulating Company directives in this subject and preventing fraudulent or improper use of the Company's heritage.

Use of the assets that are part of this heritage by the Management and by Employees must be functional to and solely for the purpose of performing Company activities or the purposes authorised by the Company functions concerned.

6.1 The Company's IT Systems, Internet and electronic mail

Maintaining a good level of IT security is essential for protecting the information that SMS Concast Italia uses every day, and is vital for effective developing of the Company's policies and business strategies.

Having stated that use of the Company's IT and telematic resources must always be inspired by principles of legality, diligence and correctness, those Recipients who use the Company's IT systems must follow the additional internal rules aimed at avoiding unknowing and/or improper behaviour that might cause damage to the Company, to other Recipients or to business partners, in accordance with the indications provided by the appropriate Company function.

6.1.1 The Company's IT systems

The personal computers, communications systems (whether fixed or mobile), the handheld computers and their programmes and/or applications entrusted by SMS Concast Italia to Recipients are work tools.

Therefore:

- they must be kept in a suitable manner;
- they may be used solely for professional purposes (obviously with reference to the duties assigned to the holder) and not also for personal matters, unless otherwise authorised expressly, least of all for unlawful purposes;
- the theft or mislaying thereof must be promptly reported to the competent authorities and subsequently to the appropriate Company function;
- damage to them and failure to function must be reported promptly to the appropriate Company function.

6.1.2 Use of mobile storage media

The Management, Employees and Staff Members are not permitted to download files, even from magnetic/optical media, breaching copyright and industrial property rights and/or the contents of which are contrary to law and order or to public morality and/or to the applicable regulations.

All files of external or uncertain origin, even if pertaining to work, that might interfere with the Company's IT system must be subjected to checking and their use authorised by the appropriate Company function.

It is not permitted to use software and/or hardware tools capable of tapping, counterfeiting, altering or suppressing the contents of IT communications and/or documents.

6.1.3 Use of the Company network

Network drives are areas for sharing strictly professional information, and cannot be used in any circumstances for other purposes.

SMS Concast Italia reserves the right to proceed to remove any file or application it believes may be hazardous for the safety of the system or have been acquired or installed breaching this Code.

6.1.4 Use of Internet and of the related navigation systems

Recipients who use the Company's IT systems:

- are not permitted to navigate sites the contents of which might cause SMS Concast Italia to commit any of the offences envisaged in the Decree, or sites that could disclose the political, religious, union or sexual preferences of an Employee;
- are not permitted to take part in forums, to use of chat lines or electronic noticeboards or to sign guest books, the contents of which are contrary to public order or morality, for reasons other than professional reasons even using pseudonyms (or nicknames);
- are not permitted to store even temporarily IT documents of an offensive nature and/or discriminating on the basis of gender, age, language, religion, race, ethnic or national origin, invalidity, class, opinion or membership of a union or political organisation, sexual orientation or in any case such as to constitute offences envisaged in the Decree.

6.1.5 Electronic mail

In specifying that electronic mail, too, is a work tool, it is felt useful to point out to all Recipients who use Company IT systems that:

- it is not permitted to send or store message (whether internal or external) of a nature offensive to a common idea of morality and/or discriminating in terms of gender, age, language, religion, race, ethnic or national origin, invalidity, class, opinion and membership of a union and/or political organisation, or sexual orientation;

- it is not permitted to use Company electronic mail addresses for taking part in discussions or forums, the contents of which are contrary to public order or morality.

6.1.6 Monitoring and controls

Since in the event of breaches of contract or of the law, both the Company and the individual Recipient using the Company's or Group's information systems can potentially be prosecuted and sanctioned, also under criminal law, SMS Concast Italia will investigate, within the limits permitted by provisions of law and its contracts, compliance with the rules and the integrity of its IS system.

6.2 Telephony

The Company's fixed or mobile telephone sets must be used solely for professional purposes, except as otherwise stipulated in special agreements between the recipients and the Company or in Company Directives.

6.3 Industrial property

Know-how and technical knowledge developed and circulated to and by members of the Management and Employees, rights pertaining to licences, trademarks and patents and other similar industrial property rights are a heritage that is central to the company and which cannot be done without.

The safety, that is to say the protection and storage of these assets, is an essential value for safeguarding the interests of the Company.

The Company takes care to ensure that all assets, documents or products covered by industrial patent rights, whether of SMS Concast Italia or of its business partners are protected.

SMS Concast also does everything possible to ensure that all Recipients are aware of the applicable regulations concerning industrial property.

The Company reiterates here that it does not pursue the success of its business by breaching the industrial patent of its competitors or of third parties in general.

7. Confidentiality and discretion

SMS Concast Italia's activities require the constant acquisition, storage, processing, notification and circulation of news, information, documents and other data relating to negotiations, financial and trading transactions, know-how (contracts, documents, reports, notes, studies, drawings, photographs, software), etc.

SMS Concast Italia undertakes to ensure correct application and correct processing of all information used in carrying in its business activity.

7.1 Processing of confidential information

Any news, information and other material relating to the organisation of the business, to negotiations, financial and commercial transactions, know-how (contracts, documents, reports, notes, studies, drawings, photographs, software), obtained by a Recipient in relation to their working activity for SMS Concast Italia is the sole property of SMS Concast Italia.

Such information concerns its past, present and future activities, including information that has not yet been circulated and information and announcements due to be disclosed soon.

It is forbidden for Recipients to use said information to their own advantage or that of third parties, or to disclose such information to third parties or to use it in any way that might cause prejudice to the Company, to other Recipients or to the Company's business partners.

Similarly, SMS Concast reiterates that it does not pursue the success of its business through the use of confidential information belonging to competitors or third parties in general, thus breaching the applicable regulations.

8.2 Data banks and privacy

SMS Concast Italia undertakes to protect the information relating to Recipients, suppliers, business partners and third parties generated or acquired in the framework of business relations and to avoid any improper use of such information.

SMS Concast Italia intends to guarantee that the processing of personal data carried on at its facilities is performed in accordance with the applicable regulations. Such processing must be carried out in a legal manner and according to principles of correctness. The data will be stored for a period not exceeding that which is necessary for the purposes for which they were collected and in accordance with the applicable regulations.

SMS Concast Italia's data banks can contain, among other things, personal data protected by the regulations safeguarding privacy, data which, based on negotiated agreements, may not be made known outside the Company and/or data the inopportune or untimely disclosure of which could damage the interests of the Company.

All members of the Management, Employees and Staff Members are under the obligation to ensure that all information coming to their knowledge as a result of their work functions is kept confidential as required by the circumstances.

The information, knowledge and data acquired or processed by the Management, Employees and Staff Members during the course of their work or as a result of their duties belong to SMS Concast Italia. They cannot be used, notified or disclosed without the specific authorisation of the persons in charge, either while the Recipients are employed by the Company or when they no longer work for it.

Subject to the fact that it is forbidden to disclose information concerning the way in which the Company is organised or to use it in such a way that might cause prejudice to it, each member of the Management, Employee and Staff Member must:

- acquire and process only the data that are necessary and advisable for the aims and linked directly to their functions;
- acquire and process the data in question only in accordance with the applicable laws and provisions, as well as applying the specific Company or Group procedures, complying in particular with the instructions circulated by the company to all persons concerned and responsible for processing and/or the safety of personal data;
- keep the data in question in such a way as to prevent them coming to the knowledge of other unauthorised persons;
- communicate the data in question in the framework of pre-established procedures and/or following specific authorisation by superiors and, in any case, after making sure that the data can be disclosed in the specific case concerned. In particular the Management, Employees and Staff Members will be obliged to maintain the utmost confidentiality with regard to information belonging to SMS Concast Italia and which they were permitted to process in the specific framework of their jobs;
- make sure that there are no absolute or relative bans preventing disclosure of the information concerning third parties linked to SMS Concast Italia by any kind of relationship and, if appropriate, obtain the consent of the parties concerned;
- associate the data in question in such a manner that any person authorised to access them can easily obtain a picture of them that is as precise, exhaustive and truthful as possible.

In order to guarantee correct implementation of the Company strategies, all members of the Management, Employees and Staff Members are also requested to abstain at all times from any comments concerning the activities undertaken by and/or the results achieved or goals set by the Company.

8. Health, Safety and the Environment (HSE)

SMS Concast Italia's activities are managed complying in full with the applicable regulations concerning the prevention of accidents and occupational diseases.

Operational management is based on criteria of environmental protection and efficiency, pursuing improvement of the conditions of health and safety at work, in order to prevent accidents or occupational diseases.

The technological innovation pursued by SMS Concast Italia is aimed at research into and promotion of products and services increasingly compatible with environmental protection and featuring constant and continuous care for the safety and health of the workers.

8.1 Health and safety

SMS Concast Italia offers a work environment safeguarding the health and safety of its personnel, considering this obligation an investment and a factor of growth and added value for the Company and the Group.

Through its corporate Workplace Health and Safety Management System (WHSMS), SMS Concast Italia undertakes to spread and consolidate a culture of safety based on prevention, developing awareness of the risks and promoting responsible behaviour on the part of all Recipients insofar as each of them is concerned:

- for whom adequate information and training is provided, so as to guarantee full and precise observance of the internal rules and procedures,
- of whom the following are requested:
 - (i) full and precise observance of internal rules and provisions;
 - (ii) that they report promptly any shortcomings or failures to comply with the applicable standards.

SMS Concast Italia's aim is to protect its human resources, constantly seeking the necessary synergies, both in house and outside with its suppliers, sub-contractors, business partners and forms involved in the activities of the Group, with a view to constant improvement of the SHSMS.

To this end, an internal facility, monitoring the evolution of the applicable regulations and changes in the way the Company is organised, proposes activities as a consequence of the following:

- continuous analysis of risks and criticality of the processes and of the resources to be protected;
- reporting of any and all accidents and near misses;
- the adoption of the best possible technology;
- controlling and up-dating of work methodologies;
- the performance of training and communication activities.

In particular, in accordance with the standards for safeguarding health and safety at the workplace, the Company:

- implements the SHSMS with the aim of reducing systematically risks for personnel with regard to accidents and occupational diseases;
- manages the measures called for by the SHSMS to safeguard health and safety at the workplace as procedures intrinsic in the actual organisation and in the planning of work;
- uses the SHSMS as a reference tool for its prevention activity, drafting the safety procedures, the operating instructions and the personnel instruction and training schedules on the basis of the contents of the System. SMS Concast Italia ensures regular up-dating and upkeep of the SHSMS, with the assistance and support of qualified resources having adequate competence, experience and skills;
- makes sure that the SHSMS has adequate economic and financial resources and personnel, maintained in time, resorting to outside resources in all those cases in which suitable skills are not available within SMS Concast Italia.

8.2 Obligations of the Recipients with regard to health and safety

Each Recipient, depending on their functions and the manner in which they work for the Company, is under the obligation, in the framework of the SHSMS:

- to comply with and ensure compliance with the provisions and the instructions given by SMS Concast Italia for the purpose of collective and individual protection;
- to use correctly all equipment, means of transport and other work tools, as well as the safety devices, and in an appropriate manner;
- to report any shortcomings of the means, devices and equipment, as well as any other conditions of danger coming to their knowledge, taking steps directly, in case of urgent need and in the framework of their skills and possibilities, to eliminate or reduce such shortcomings and dangers;
- not to remove or alter the safety devices, notices or control devices without being authorised to do so;
- not to carry out on their own initiative operations or manoeuvres for which they are not responsible or which could prejudice their own safety or that of other workers;
- to undergo the medical examinations and health check-ups envisaged for them according to the current regulations.

Each Recipient must pay attention to his/her own safety and health and those of the other persons present at the places of work of SMS Concast Italia who might feel the effects of his/her actions or omissions.

9.3 Environmental protection

SMS Concast Italia acknowledges that protection of the environment is a primary value in running the Company, starting out from management of daily activities right up to strategic decision-making. "Energy saving", "waste management", correct re-use of products that can be re-cycled and paying proper attention to drains and emissions are the subject-matters of information and training also for

the purpose of profitable use of the resources placed at disposal by SMS Concast Italia to this end.

Recipients are asked to co-operate actively in environmental management and continuous improvement of environmental protection, in line with the Company's policy.

9. Disciplinary measures and sanctions

Breaches of the rules the Code, understood to mean proposing action or behaviour that are not in line with the requirements of the Code or omitting action or behaviour required therein, may constitute failures to comply with the obligations connected with employment, with all the consequences envisaged in the applicable regulations and in the collective employment contracts, if any, also with regard to continuation of employment, and may also entail indemnification of any damages caused to the Company.

The types of sanctions are those envisaged in the applicable regulations or collective employment contracts. They will be proportional to the seriousness of the breach, and never such as to prejudice the dignity of human beings.

The sanctions are meted out by the appropriate Company function.

As far as concerns failure to comply with the provisions of this Code of Ethics by consultants, agents, operators, partners, Staff Members in general or suppliers of goods or services, the provisions concerning the sanctions will be contained in the contracts governing the conditions of relations with such parties.

10. Reports of breaches or requests for information

Any and all information concerning possible breaches of the principles envisaged in this Code or the spirit underlying it shall be reported immediately to the Supervisory Body at the following addresses:

[●]mail address: odv@sms.concast.it

[●]telephone number: +39 0432 654794

Anonymous reports are permitted although identification of the parties reporting the facts is encouraged for the purpose of better and more complete acquisition of the information.

SMS Concast Italia prevents reprisals of any kind against anyone who has provided in good faith information about possible breaches of the Code or of the reference rules or who has assisted in good faith SMS Concast Italia in investigating such breaches. In any case their identity will be kept confidential, subject to any legal obligations and protection of the rights of the Group and of any persons accused mistakenly or in ill faith.

Each and every Recipient is encouraged to request further information or explanations with regard to the principles of this Code.

This Code of Ethics envisages two reporting lines: to one's direct superior within the framework of normal internal reporting, and directly to the SB.

All Recipients are entitled, should the circumstances make it advisable, to request information or to make reports directly to the Supervisory Body at the addresses indicated above, reporting to their direct superiors appears problematical in view of the subject matter to be reported or the subjective profiles involved.

The direct superiors are in any case under the obligation, following reports received from employees, to arrange to inform the SB without delay about the reports received, progress of any enquiries and any steps taken.

11. Applicable provisions

SMS Concast Italia S.p.A. is a Company established under and governed by Italian law. The Company and the SMS Group do, however, operate in an international context and therefore many of their activities are subject to other legal systems.

In the event that any provisions of this Code should be found to clash with the provisions of other legal systems, the Recipient shall immediately contact his/her direct superior and/or the SB at the addresses and in the manner referred to under Section 10 above, to ask for the necessary instructions.