



CODE OF ETHICS FOR THE COMPANY **FATA S.p.A.**

Document approved by the Board of Directors on March the 6th, 2017



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PREAMBLE

The present Code of Ethics, was adopted by the Board of Directors of the Company Fata S.p.A., on March 6, 2017, and is based on the text of the Code of Ethics approved by Danieli & C. Officine Meccaniche SpA, Parent Company of Danieli's Group (hereinafter the "Group") on May 12, 2016.

1. INTRODUCTION

1.1. The Code of Ethics for Danieli's Group

The Code of Ethics is intended to define, formalize and share the set of ethical values that inspire the Group, the compliance to which, on the behalf of the Recipients, contributes to the functioning and to the protection of the Group's reputation.

The purpose shall be to share the same values placing them as a point of reference and comparison in relation to any decision and/or conduct carried out by those who work within the Company, at all hierarchical levels.

In this context, compliance with the principles set forth in the Code of Ethics shall constitute an effective instrument of prevention, detection and contrast to violations of the laws and regulations in force for these activities.

This Code therefore contains all the principles that the Group shall respect and ensure compliance to, and that shall be used as one of the main instrument for business ethics, pursuing the formalization of existing principles and conduct standards and the creation of the conditions for the correct application of policies and specific procedures.

Therefore, the Recipients shall be required to comply with the values and principles of the Code of Ethics and are obliged to protect and preserve, through their actions and behavior, the respectability and image of the Group, of the Parent Company and of its Subsidiary Companies as well as the integrity of their economic and human assets.

During all activities, the Companies of the Group shall adopt : the rule of law, meaning compliance to all the relevant laws and regulations for the Countries in which it shall apply, as guiding principle.

1.2. Definitions

The following terms, when used in this Code with a capital letter, have the following meanings:

- “Code of Ethics” or “Code”: the present document ;
- “Parent Company”: Danieli & C. Officine Meccaniche SpA, with registered office in Buttrio (UD) via Nazionale 41, Italy;
- “Group”: the Parent Company and its subsidiary companies either directly or indirectly controlled by the Parent Company or affiliated with the same;
- “Company”, meaning any of the Group (including the Parent Company) who has adopted this Code.

2. SUBJECTS TO WHOM THE PROVISIONS OF THE CODE APPLY

This Code applies to:

- (a) the Companies of the Group;
- (b) the following “Recipients”:
 - to the Board of Directors and/or any member of the provided administrative bodies;
 - to Statutory Auditors and/or other supervisory bodies (inside the Company);



- to all employees of the Companies of the Group, to all internal employees of the Group's Companies with different forms of employment contract such as project contracts, interns, etc..

3. RANGE OF APPLICATION AND CONSEQUENCES OF VIOLATIONS TO THE CODE

The principles and contents of the Code are declination of diligence, loyalty and impartiality obligations, that qualify the correct fulfillment of work performances and behaviors that must be held by all Recipients. The Recipients of the Code shall therefore be required to respect these provisions and ensure their compliance.

Every Company of the Group shall evaluate, under both disciplinary and contractual profiles, pursuant to the laws in force, conducts contrary to the principles in the Code of Ethics applying, in the exercise of their powers, the sanctions that the different severity of the facts shall justify. Violations to principles and contents of the Code shall constitute disciplinary or contractual violation with every consequence provided by the Law or by the contract applicable to the parties.

The present Code of Ethics shall be valid for all Countries in which the Group operates. If even one of the provisions of the Code of Ethics were to come into conflict with the provisions of internal regulations or the Company's procedures, the Code shall prevail on any of these provisions and it shall be responsibility of the competent company bodies to remove or regulate the conflict.

Companies of the Group are required to act for the diffusion of the Code of Ethics among all Recipients.

4. COMPANY'S VALUES

To establish and maintain a relation of adequate consideration between the Companies of the Group and their respective *stakeholders*, both internal (*Recipients*) and external (*customers and suppliers* - current and potential - *investors and creditors, public institutions and civil society*), the respect for the ethical principles explained in this Code shall be of an absolute importance.

Specifically, each Company of the Group, as active and responsible member of the community in which it operates, shall acknowledge and respect the following principles:

- **Legality**

The Company shall respect and enforce, internally, the laws of the Countries in which it operates, as well as the ethical principles commonly accepted by international standards in conducting business. In pursuing this, all Recipients must be aware of the ethical value of their actions and shall not pursue personal or business advantage, to the expense of compliance with applicable laws and principles of this Code.

- **Transparency, fairness and loyalty**

The Company does not allow any resort to unlawful behavior, or dishonest conduct, in order to achieve economic or other objectives. Also, the Company shall adopt reasonable organizational instruments aiming to the prevention of violations of the law and of the principles of transparency, fairness and loyalty carried out by the Recipients, monitoring their observance and implementation.

- **Good faith**

All Recipients shall inspire their activities to the principle of good faith performing their duties promptly, loyally and faithfully, acting with integrity, and with respect of the rules and of people.

- **Non-discrimination and equal opportunities**

The Company shall operate avoiding discriminatory behaviors and therefore there shall be no discrimination, including discrimination based on sex, sexual orientation, ethnicity, language, religion, political opinions, personal conditions and social conditions.

The evaluation of the performance of Recipients at the Company's service shall be made considering only professional skills, merit and respect of the Code.

- **Diligence**

The Recipients, within the limits of their attribution and competence shall carry out the assignments and duties entrusted with the utmost commitment and expertise.

- **Central role and promotion of Human Resources**

Human resources are considered absolutely essential and fundamental for the success of the Company.

The Company shall support training, development of professional skills, the con-division and diffusion of competences. Also the Company shall promote the recognition of merits and, at the same time, it shall require to all Recipients: commitment, fairness and transparency in dealings and relations.

- **Respect and protection of the environment**

The Company shall carry out activities in full respect of the environment, as a collective interest.

- **Protection of health and safety in workplaces**

The Company considers of primary importance the safety of working environments, Recipients' health, physical and mental, together with well being, and shall act in accordance with the relative rules in force.

The Company shall require to all Recipients the exact compliance with safety and prevention measures.

The principles and fundamental criteria in which the Company recognizes itself, and that the latter shall promote in order to ensure a correct management of workers health and

safety, in compliance with the best practices of prevention and protection of risks for workers health and safety, are explained in the following:

1. avoid, or in any case limit the risks to health and safety;
2. evaluate and manage risks, including potential, for health and safety;
3. plan prevention actions;
4. provide adequate training for workers, also through appropriate instructions;
5. promote the active participation of the Recipients to company strategies with regards to safety and health at work;

all in full compliance with applicable regulations.

These principles shall be used by the Company for the adoption of the measures necessary to protect workers health and safety, including prevention of occupational hazards, information and training.

- **Quality of the offered services and customer satisfaction**

The result of the Company's activities and compliance with the established values shall find its fulfillment in the services provided, where the quality and punctuality shall be ensured.

- **Protection of shareholders, investors and creditors**

While pursuing the interests of the Company, all Recipients shall refrain from engaging in activities or conducts, even potentially, harmful for the rights and interests of shareholders, investors and creditors.

The Company shall rigorously respects all the laws and regulations in force and shall quickly adapt to any change in these rules.

- **Reputation**

The Company shall base activities on the correct conduct, consistent and characterized by the mutual satisfaction in relations with third parties.

The Company shall promote a spirit aiming to the improvement of the image of the Company, among employees.

The duties and tasks assigned shall be carried out with diligence and professional liability.

Compliance with these principles shall be considered an essential element of the work performance, translating into responsible behavior towards the Company.

- **Privacy protection**

Any information, data or document that each Recipient may acknowledge during the execution of their activity is confidential and shall not be disclosed in any way, except in accordance with company procedures and applicable regulations.

The Company is committed to ensure the correct implementation and proper treatment of all informations used in the course of the business activities.

The Company also commits to maintain an adequate level of security in the selection and use of *Information Technology* systems designed to process personal data and confidential information.

- **Conflict of interest**

The term “Conflict of interest” refers to the case in which a Recipient of the Code, or his/hers Spouse, or his/hers cohabiting partner, a relative or an affine up to the second degree (hereinafter referred to as "Spouse"), holds, directly or indirectly, conflicting interests with those of the Company.

In these cases, all Recipients shall avoid, where possible, situations in which conflicts of interest may arise, or from which they could derive a personal benefit at the potential expense of the Company.

By way of example, but not limited to these, there shall be conflict of interest for a Recipient in case of:

- participation of the Recipient to the procurement process of an order by the Company to a supplier in which the Spouse of the same Recipient has relevant economical interests;

- participation of the Recipient in the process of hiring his/hers Spouse as an employee for a Company of the Group;
- use of one's position within the Company, or of the information acquired during work, in order to favor the interests of a competitor towards which one's Spouse has significant economic interests.

If the recipient believes to be in a conflict of interests, he/she shall inform their hierarchical immediate superior at managerial level, providing them with all relevant information.

If the hierarchical superior, shall consider the conflict non existent, or existing but in the specific case entirely devoid from prejudice for the Company, he/she may authorize the Recipient to continue the interested activity; conversely, in any other case such activity shall be carried out in an alternative way and in any case such as to eliminate the existing conflict of interest.

- **Intellectual property rights and confidentiality**

The Company recognizing the importance of intellectual property as a key asset of the Company , shall carry out all actions capable of protecting it.

Each Recipient, even after the termination of employment, shall not give or spread to third parties any information regarding the technical, technological and business know-how's of the Company, as well as other data and/or non-public information relating to the Company - with the exception of the information that has already become of public domain without the intervention of the Recipient-, except in cases where such disclosure is required by the law or by the Public Authorities or where expressly provided by specific contractual agreements with which the parties have undertaken to use these for specifically stated purposes.

In particular, it is necessary to act/deal with the due confidentiality as to protect ideas, models and other forms of intellectual property developed as part of the Company's work.

The Company also undertakes not to implement projects and/or products that may be in violation with the intellectual property rights of others.

- **Information security**

With specific regard to issues related to information risk, the Company, aware of the constant changes in technology, has set itself the objective of adopting an effective security policy, in particular, security shall be pursued through:

- systems and information protection from potential attacks;
- the guarantee of the maximum continuity of the service.

5. RULES OF CONDUCT BETWEEN THE PARTIES

The conduct of the Company and of the Recipients must always be based on respect for the values and principles contained in this Code. These shall both act as to best represent enact the behavioral pattern of the Group and the contents of the present Code.

The Group aim, is indeed, to establish relations with stakeholders characterized by the respect of the laws and of their own value system, guaranteeing the maintenance of the commitments made towards these, respecting their interests while pursuing the Group's objectives.

5.1 Rules of conduct with the staff

The Company shall interact with human resources using the utmost fairness, as well as in compliance to labor legislation and to the applicable national collective agreements.

The recruitment process shall be carried out with respect to equal opportunities and to the person, in a structured procedure, clearly explained to the candidate. The Company shall provide the candidates with detailed and comprehensive information regarding the organization and the position for which he/she shall be evaluated.

The candidate shall be required to properly forward to the recruiter all relevant information necessary to carry out an effective and efficient recruitment process.

The Company commits to invest in growth, education and satisfaction of the employee, in order to increase skills and enhance the wealth of knowledge, as well as to maintain a healthy working environment, characterized by the standards of civil coexistence and mutual respect among people.

The Company shall also shall promote employment development policies, direct and induced, which shall combine with growth strategies and business profitability.

The Company shall acknowledge and respect the right of employees to join trade unions and/or political associations, in compliance with the regulations.

5.2 Rules of conduct between and among the Companies of the Group

The management of the Companies of the Group must promptly inform the Parent Company and/or to other interested Companies, of situations that may significantly affect the economic, social and environmental performance or that may put at risk the credibility and reputation of the Company and/or of the Group.

The management of the Company shall carry out all the activities that may facilitate the creation of a Group culture, adhering to the directives of the Parent Company and harmonizing their own procedures and internal regulations to those in force for the Parent Company, also in compliance to the local regulations.

5.3 Rules of conduct with clients

The Company considers the satisfaction of customers as a primary objective and shall provide them with high levels of quality at competitive conditions, in compliance with the rules of competition.

Recipients must under no circumstance (either in their own name or in the name of the Company) promise or offer payments or goods or other benefits to public or private organizations in order to promote or favor the interests of the Company or their own personal interests, beyond the limits provided by the internal regulations.

The Company shall provide accurate and complete information regarding the services offered, as to enable customers to make conscious and informed decisions.

The Company shall maintain the utmost discretion regarding their clients confidential information, for both strategic information and personal information, also the Company shall use this information only for strictly professional reasons, requiring explicit permission, when necessary.

5.4 Rules of conduct with Third Parties

It is prohibited to all Recipients (either in their own name or in the name of the Company) to accept from third parties, directly or indirectly, gifts and/or benefits (money, objects, services, favors or other benefits) which have considerable value or in any case with the purpose of inducing the Recipient to a behavior in contrast with mandatory rules of law or internal regulations of the Company or with the principles of the present Code.

5.5 Rules of conduct with suppliers

Given the key role covered by suppliers, the process of selection of these shall be carried out in accordance with the principles of fairness, economic efficiency, quality and transparency, and through objective evaluations pursuing the protection of the Company's economic, commercial and industrial interests. The Company shall also adopt specific procedures in order to implement objective criteria in the allocation of orders and in the management of relations with suppliers so as to guarantee transparency and fairness, while pursuing the Company's economic objectives.

The Company shall maintain the confidentiality of information related to suppliers and to use such information only for strictly professional reasons, and in any case subject to prior written authorization, when necessary. The compensation shall commensurate exclusively with the specified performance/supply agreement and the payments shall not

be made in an unusual way or in a manner that does not comply with contractual provisions.

5.6 Rules of conduct with Public Institutions

The conduct of the Company shall be inspired and adapted in compliance to the principles of legality, fairness and transparency, as to not induce the Public Administration into violations of these principles, and in particular the Company shall not hold, for any reason, conducts aiming to illegally influence the Public Administration's decisions in order to attain an unfair or improper advantage for the Company.

Contacts with the Public Administration shall be managed in accordance with the appropriate business procedures, by those who where, by the Company specifically and formally, appointed with this activity.

It is forbidden to allocate grants, subsidies or loans obtained by the State or other public body or the European Community for purposes other than those for which these were eventually granted.

The Company condemns all behaviors, by whoever held, consisting in the promise or the, direct or indirect, offer of gifts and benefits (money, objects, services, favors or other benefits) to Public Officials and/or members of the Public Service, Italian or foreign, or their relatives, from which the Company may obtain an unfair or improper interest or advantage.

These behaviors, by however held, shall be considered acts of corruption. More specifically, it is prohibited to promise or pay money or other goods or/and to grant other benefits to Public Officials for the purpose of promoting or favoring the interests of the Company, even as a consequence of unlawful pressures.

It is also forbidden to induce Public Officials and/or members of the Public Service to use their influence on other subjects belonging to the Public Administration.

Finally, in the context of relations with the Public Administration, the Company shall not be represented by individuals who may be in any situation of conflict of interest.

5.7 Rules of conduct with the Judicial authority

The Company shall actively cooperate in order to carry out any request made by the Judicial authority and shall, also, refrain from engaging in any behavior, relative to those involved with the mentioned authority, eligible to condition these in their doing and actions towards the same Judicial authority.

5.8 Rules of conduct with trade unions and political parties

Relations with the political and trade unions associations are, generally, reserved to the corporate functions with the authorization to establish and manage these relations based on the responsibilities assigned by the Company, and based on the provisions set out by service orders and procedures currently in force. Any relation with these subjects shall also be characterized by the use of an elevated criteria of transparency and fairness.

The company shall not provide financial contribution to the trade unions, political associations and their representatives, if not when expressly permitted and required by the law and, in this case, authorized by the Board of Directors or equivalent body.

5.9 Rules of conduct with Statuary Auditors, Auditors and Supervisory Bodies in general or equivalent

The Company ensures that all relations with the Statutory Auditors and Auditors and the Supervisory Bodies in general or equivalent, if any, shall be characterized by the utmost professionalism, diligence, transparency, collaboration and availability. The Company shall also operate in compliance with the institutional role of these persons and shall ensure full and punctual implementation of the requirements and formalities required, also releasing the necessary information in a clear, accurate and comprehensive manner. As regards relations with the above mentioned parties, the Company guarantees to avoid any conflict of interests and shall commit to assess in advance the possible contribution of various positions different from the official duties evaluating if these may conflict with their independence and objectivity.

5.10 Rules of conduct with the competition

The company's aim is to ensure the maximum market competitiveness and, therefore, its trade policy shall develop in full compliance with all laws and regulations regarding competition.

Therefore it shall not be allowed to undertake initiatives aiming to influence improperly the market and/or unlawful agreements pursuing price controls or those agreements that however create an unfair advantage.

5.11 Rules of conduct with investors of the issuing Company

The Company shall commit to establishing a constant relation with all classes of investors through suitable communication channels in accordance with the regulations of this sector. The Company guarantees equal access to information and equal treatment of all categories of investors.

5.12 Interpersonal relations in working environment

The Company shall require, without any exception, working relations not to result in harassment, intimidation or mobbing.

Such as the following, for example:

- The creation of a intimidating, hostile, isolating working environment or otherwise discriminating towards individuals or groups of workers;
- To engage in unjustifiable interferences with the execution of another's work performance.

Any form of harassment related to personal differences such as those of race, ethnicity, religion, gender, sexual orientation, marital status, political views and cultural, shall be prohibited.

Recipients shall personally contribute in promoting and maintaining a climate of mutual respect in the working environment, where special attention shall be paid into respecting other people's feelings.

It is prohibited to be found under the influence of alcohol, drugs or substances with similar effect, during work and at the workplace. When situations of chronic addiction were to affect the working environment, they shall be - as a result of the contract - considered as the cases above. The Company shall favor social prevention action and assistance to such inconveniences, if provided for by collective agreements.

It is also prohibited:

- to hold, consume, offer or give for whatever reason, drugs or substances with similar effect, and/or alcoholic drinks during work and at the working place;
- to smoke in the working place.

6. COMMUNICATION AND INFORMATION MANAGEMENT

6.1 Corporate communications

The Company shall provide all the communications necessary to the Supervisory Authorities in a clear, timely, correct and complete manner. Only corporate functions specifically appointed may carry out these communication activities.

6.2 Relations with media

The information concerning the Company and devolved to the *mass media* may only be disclosed by the company functions specifically delegated, in compliance with applicable procedures. The staff when asked to provide information or interviews, shall report this to the competent department, and receive special and prior authorization.

In any case, the disclosure of data or information shall be truthful, clear, complete and transparent, and in accordance with the rules of confidentiality obligations set out by the law and those contained in this Code.

6.3 Transparency in financial informations

When preparing documents and accounting data, reports or other corporate communications required by the law, intended for shareholders and the public, as well as any registration concerning the administration, the Recipients shall follow the strictest principles of transparency, fairness and truthfulness.

In particular, all Recipients responsible of drafting these documents are required to check, each one for the parts of their own respective competence, the correctness of the data and information that shall then be transposed during the preparation of the relative documents.

6.4 Price sensitive informations

The Group shall ensure to the investors and to the public in general, in accordance with current regulations, to provide prompt, clear and complete data and information capable of significantly affect the performance of the titles, so to enable the Recipients of these informations to make conscious and informed investment or divestment decisions. Selective disclosure of confidential information is excluded, except in cases prescribed by the regulations in force.

6.5 Insider Trading

All those who, inside the Group, shall become aware of information out of the public domain and likely to significantly influence the course of the Company's titles should refrain from any disclosure and use of the same except in accordance with applicable law and relative company regulations.

7. MODEL OF APPLICATION OF THE ETHICAL CODE

7.1 Code of Ethics adoption, update and submission of violation reports

The Code of Ethics shall be approved by the administrative organ. The CEO (or equivalent persons) shall be responsible of supervising the implementation of the Code in accordance with local regulations.

Each Company of the Group shall identify an internal organ responsible of the implementation and update of the Ethical Code (in the following referred to as "Supervisory Authority"), and to which reports of violations of the Code shall be directed. The Supervisory Board of Fata S.p.A. has been appointed as the Supervisory Committee. Violations shall be reported to the following email address: odv@fatagroup.it

7.2 Disciplinary system

The violations of the Recipients, of the provisions in this Code shall constitute a violation of the primary obligations of employment, with the application of the consequences provided by the law and/or by employment contracts.

Also any form of reprisal against those who have made reports of possible violations of the Code or requests for clarification on the application modalities shall constitute a violation of the Code.

The Human Resources Department shall ensure the diffusion of the Ethical Code and of the principles contained therein through the insertion of the same on the company's intranet and corporate website, as well as by delivering a paper copy upon recruitment.

7.3 Awareness and implementation

This Code of Ethics is brought to the attention of all recipients who undertake to observe the principles of this Code. In no case, the acts aiming to the benefit of the Company shall justify the adoption of a conduct contrary to the law and these principles. In particular, all Recipients are required to operate so that such rules are properly enforced.

Every Recipient shall :

- refrain from any conduct contrary to such rules, principles and regulations;
- promptly report to the Supervisory Authority any case regarding a possible violation or requests of violation to the Code of Ethics.

Recipients may contact their superiors, company representatives and/or the Supervisory Authority of the Code, in order to request any explanations on the application of the same.

In the case where even one of the provisions of this Code should come into conflict with the provisions of internal regulations or procedures, the Code shall prevail on any of these provisions and the competent corporate bodies shall adoperate to remove or at least mitigate the conflict. Any modification and/or addition to this Code shall be made with the same procedures to those used for the initial approval.

7.4 Code of Ethics revision

The Board of Directors of the Parent Company by means of the Supervisory Authority, ensures the periodic review and update the Code of Ethics, in order to adapt with the changes in regulations and environmental conditions, changes in civil society, as well as in response to reports of Recipients and of the experience gained during the implementation.



As a result of the Parent Company's reviews, the Board of Directors of the Company Fata S.p.A. shall provide to consequently modify the Code of Ethics of the Company, without prejudice to any adjustment needed regarding the structure of the Company Fata S.p.A.

7.5 Consultation

The Code of Ethics is published on the website www.fatagroup.it where it is freely available and downloadable. It can also be requested from the Human Resources Department of the Parent Company and in any case a paper copy is delivered in to each new employee.