

Rev.00 04/26/2018

## SUMMARY

The following  
companies are  
part of the  
Lucefin Group:

ACCIAI BRIANZA S.p.A. Desio (MB)  
 ACCIAI BRIANZA S.p.A.  
 Commercial unit:  
 TRA.ME.T. Orbassano (TO)  
 CO.MET. ACCIAI s.r.l. Brescia  
 CO.MET. ACCIAI s.r.l.  
 Commercial unit:  
 SIDERCONERO Osimo Stazione (AN)  
 COSMO ACCIAI s.r.l. Spilamberto (MO)  
 KSM STAHL GmbH Empfingen, D  
 NUOVA BASSANI s.r.l. Forlì (FC)  
 SIDERMARCA S.r.l. Ponzano Veneto (TV)  
 TRAFILIX S.p.A. Esine (BS)  
 TRAFIL CZECH S.r.o. Kladno, CZ  
 TRE VALLI ACCIAI S.p.A. Berzo Inf. (BS)

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## 1. PREAMBLES AND PURPOSES

This Code of Ethics sets out the principles and values that the Lucefin SpA Group, henceforth Lucefin or Lucefin Group, intends to affirm and pursue when carrying out its business. The companies belonging to the Lucefin S.p.A. Group are listed in Annex 1 to this Code.

Lucefin hereby states, including through the application of this Code of Ethics, to consider ethical behaviour as one of the primary points of reference on which its activities and its managerial choices are based, in the absolute belief that the objective of achieving personal interests should not justify a conduct which is not in line with ethical principles and with current laws and regulations.

The Code of Ethics constitutes an official document, approved by the Lucefin Shareholders' meeting, and contains all the rights, duties and responsibilities towards all the recipients of the Code of Ethics itself.

## 2. RECIPIENTS

This Code applies to all company levels and the recipients of the Code are therefore the Directors, employees and collaborators of Lucefin, as well as all those who, whether directly or indirectly, permanently or temporarily, establish relationships or relations with the Lucefin Group.

The Lucefin Group undertakes to disseminate this Code to all interested parties, to ensure the correct interpretation of its contents and to provide the tools to foster its application and to implement the necessary measures in order to verify and monitor the application of the Code itself, providing for sanctions in the event of its violation, in accordance with the law, with the labour contracts and with the disciplinary system adopted.

Any violation of this Code alters the relationship of trust between Lucefin and the physical or juridical subject who brought this about; this violation shall be considered an integral part of the obligations pursuant to art 2104 of the Italian Civil Code.

Lucefin undertakes to keep its Code of Ethics and Conduct up to date, in order to adapt it to the evolution of the Group and of the legislation.

## 3. PRINCIPLES

To achieve its objectives, Lucefin is inspired by the following principles:

- compliance with all the legal and regulatory provisions in force in the countries where the Group operates
- honesty, transparency and reliability
- equality and impartiality in the treatment of customers, employees and non-subordinated collaborators
- professionalism, loyalty, correctness and good faith
- respect for its employees and non-subordinated collaborators, and for people in general
- respect for the principles of segregation of duties
- environmental protection and safety at work
- health protection.

Lucefin will not enter into or continue any relationship with anyone who does not comply with the aforementioned principles.

When performing their work duties, all employees must refrain from carrying out activities which are not in the interest of the Group or which may lead to a conflict of interest, even if only potential, with Lucefin.

## **4. RULES OF CONDUCT**

The most suitable principles to ensure the best implementation of activities in compliance with the law and with the provisions of the Code of Ethics must be followed when managing Lucefin, in the interest of members, employees, non-subordinated collaborators and of all those who enter into any business relationship and / or who come into contact with the Group.

### **4.1. Corporate relationships**

#### **4.1.1. Shareholders**

Lucefin ensures that its shareholders do not act against corporate interests, i.e. by operating in conflict with the Lucefin Group.

Lucefin involves all shareholders in the adoption of corporate decisions falling under their jurisdiction. Lucefin ensures information as well as transparency and accessibility to data and documentation.

#### **4.1.2. Board of Directors and delegates**

The administrative body of each company belonging to the Lucefin Group performs its functions with professionalism, autonomy, independence and responsibility towards each company of the Group, the shareholders, the corporate creditors and the third parties.

Each manager, within the scope of his/her jurisdiction, is required to participate and facilitate the operation of the corporate control system, accordingly sensitising employees on the matter, and must refrain from carrying out any collateral activity which could harm the interests of Lucefin.

#### **4.1.3. Board of Statutory Auditors**

Should any companies of the Lucefin Group be required to appoint a Board of Statutory Auditors and / or a Sole Auditor, the members of said Board or the Sole Auditor must fulfil their duties impartially, autonomously and independently, in order to ensure effective control and constant monitoring of the Company's economic and financial situation, as well as the compliance and adequacy of the adopted organisational and administrative structure.

#### **4.1.4. Auditing Firm**

The Lucefin holding uses an auditing company, listed in the register of the Ministry of Justice, to carry out the control and accounting supervisory functions established by art 2409-ter and following of the Civil Code.

The appointed auditing firm must have free access to the data, documentation and information necessary and useful for carrying out its assignment.

### **4.2. Relations with Third parties**

#### **4.2.1. Customers and Suppliers**

During relations with customers and suppliers (including non-subordinated collaborators), the directors, employees and collaborators of Lucefin must:

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- provide accurate, truthful and comprehensive information concerning the products and services offered by Lucefin in order that the customer may make informed decisions
  - provide products and services which meet customer requirements and protect workers' health and safety
  - be truthful in all technical, commercial or other communications
  - scrupulously comply with current legislation and internal procedures
  - when selecting suppliers, in possession of the required requisites, adopt objective and transparent evaluation criteria and such as to ascertain the respectability and legitimacy of the activity carried out.
  - obtain the suppliers' collaboration in ensuring the satisfaction of customer needs in terms of quality, cost and delivery times
  - observe and comply with the provisions of the law and the contractually agreed conditions in all supply relationships
  - be inspired by the principles of fairness and good faith in all types of communication with suppliers and customers, in line with the most stringent commercial practices
  - not carry out or be involved in activities involving corruption, money laundering and stolen goods
- When performing their activities, suppliers and customers must not use child labour or persons who do not consent or who do not hold a valid residence permit.

#### **4.2.2. Public Bodies or Persons performing public functions**

Should Lucefin maintain relations with public Institutions, public Bodies or Companies and with persons who perform public functions or who provide public services, during the course of its business, it will ensure absolute compliance with the principles of fairness, transparency and collaboration, as well as compliance with the laws and the current legislation.

Lucefin's employees / collaborators shall refrain from any offer, promise or donation of money or other benefit which may influence a Public Official or a public service representative from fulfilling his/her office duties or service.

Lucefin avoids any fraudulent conduct aimed at obtaining grants, loans, subsidised loans, subsidies or other disbursements by Public Bodies.

A further veto to altering the functioning of IT or telematic systems or manipulating the data therein contained in order to obtain any unfair profit, damaging the Public Administration, is envisaged.

#### **4.2.3. Non-profit making initiatives**

Lucefin favours "non-profit making" activities in order to demonstrate its commitment to satisfying the interests worthy of appreciation from a health, ethical, legal and social point of view of the communities in which it operates.

Sponsorships, which may concern social, sports, entertainment, arts and culture initiatives, may only be destined to events that offer a guarantee of legitimacy and legality.

In any case, when choosing the proposals to endorse, Lucefin must pay attention to any possible conflict of interest of a personal and corporate nature.

#### **4.2.4. Political contributions**

No employee / collaborator is authorised to grant any funding or contribution, direct or indirect, to parties, movements, political organisations/candidates, associations on behalf of Lucefin, nor to endorse any sponsorship of events or congresses whose purpose is that of political propaganda, except in accordance with the provisions of current legislation and subject to authorisation.



## **4.2.5. Relations with the media**

Relations with the media are reserved for specific corporate bodies in compliance with internal procedures. Therefore:

- employees/collaborators of Lucefin cannot issue public statements, data and information concerning the Lucefin Group.
- employees/collaborators' participation, on behalf of Lucefin or in representation thereof, in committees and associations of all kinds, whether scientific, cultural or professional, must be regularly authorised by Lucefin.

Information must be transparent, truthful and correct and must not be formulated in such a way as to generate any misunderstanding or ambiguity.

## **4.2.6. Copyright infringement**

All employees/collaborators are obliged to operate in compliance with current legislation, both in terms of copyright and of the protection of instruments/identification marks such as trademarks, patents, models and designs. In this latter context, Lucefin explicitly forbids counterfeiting and / or using these identification marks.

## **4.3. Personnel and Work Environment Policies**

### **4.3.1. Human resources**

Human resources are considered an indispensable element for the existence and the future development of Lucefin. In order to nurture each employee's skills and that each employee may express his/her potential, it will be necessary to:

- apply professional merit criteria when adopting any decision concerning employees
- guarantee equal opportunities to each employee, with reference to all aspects of the employment relationship with Lucefin, including, by way of example, refresher and training courses, etc.
- ban any form of discrimination based on criteria other than merit.

All personnel must be hired with a regular employment contract according to the law: during the hiring phase each employee receives comprehensive information concerning the contract, the regulations and the remuneration, in compliance with the collective bargaining agreement, and concerning the behavioural standards to protect health and to avoid risks related to the work performed.

Lucefin prohibits the employment of foreign personnel without a valid residence permit.

Employees are required to collaborate in maintaining a corporate climate of mutual respect and in not adopting any attitude which may harm the dignity, honour and reputation of each.

Lucefin endeavours to ensure that all personnel management activities are carried out without discrimination in relation to age, gender, sexual preference, ethnic identity, state of health, nationality, political opinions, religious beliefs, disability, social status, etc.

Lucefin expects that its personnel will comply with all laws and regulations concerning discrimination and harassment.

Offensive behaviour and conversations that may offend a person's sensitivity through images, insistent allusions and any kind of harassment must be avoided during interpersonal relationships.

In particular, all personnel are strictly forbidden to distribute, hold, consult, view, disclose or disseminate pornographic material with virtual images, with specific reference to those with images of minors, at Lucefin premises.

### **4.3.2. Protection and correct use of company assets**

Lucefin employees / collaborators are required to work diligently to protect corporate assets through informed behaviour. To this end, they must preserve and defend tangible and intangible assets and the resources entrusted to them as part of their activities. Improper use that could cause damage or a reduction of effectiveness and efficiency must be avoided.

### **4.4. Occupational health and safety**

Lucefin undertakes to provide a healthy and safe work environment to its administrators, managers, employees and collaborators, in order to avoid the possibility of accidents and / or injuries.

Each employee / collaborator must pay the utmost attention when carrying out his / her activity by strictly observing all the established safety and prevention measures, in order to avoid all possible risks for him/herself and for his/her colleagues.

### **4.5. Environmental protection**

Aware that production is of environmental importance, Lucefin is guided by the utmost respect for the external and internal environment in order to protect all the parties involved. This is why it pursues the continuous improvement of production technologies and practices, in order not only to ensure compliance with current legislation, but also to adopt the best solutions that technology is able to offer.

### **4.6. Administration and accounting**

All operations or transactions must be correctly recorded in the accounting system according to the criteria indicated by the law and the accounting standards applicable in the respective countries. In order that accounting procedures should comply with the requirements of truth, an adequate and complete supporting documentation of the activity carried out must be kept in the records of each company of the Group for each operation, so as to allow checks to be carried out to ascertain:

- the accurate accounting registration
- the immediate determination of the characteristics and motivations underlying the transaction itself
- the simple formal chronological reconstruction of the transaction
- the verification of the decision-making and implementation process, as well as the identification of the various levels of responsibility.

Everyone is therefore obliged to collaborate, as far as is within his/her jurisdiction, in order that any fact relating to the Company's management is correctly recorded in the accounting system.

No one may make a false or misleading statement to internal or external auditors. Furthermore, no information may be concealed or distorted, in order to ensure that the statements provided to said auditors are clear and not misleading.

Each accounting entry must reflect what is recorded in the supporting documentation. Therefore, it will be the duty of each director, manager, employee and non-subordinated collaborator assigned to this, to ensure that the supporting documentation is readily available and ordered according to logical criteria.

It is forbidden to falsify and/or to omit the circulation and/or to use counterfeit notes, coins, tax stamps and watermarked paper.

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Lucefin's employees and non-subordinated collaborators who may become aware of omissions, counterfeiting or negligence in accounting records, must report to the Supervisory Body of the Lucefin Group company involved.

## **4.7. Gifts and personal favours**

The director, manager and/or employee and/or collaborator may not:

- receive any form of payment from anyone for performing an act of their office
- give or receive, in any form, both direct and indirect, gifts, concessions, hospitality, unless these are of modest value, of normal use and such as not to compromise the image of Lucefin
- undergo any form of coercion by third parties unrelated to Lucefin, in order to make decisions and / or carry out acts relating to their work.

The director, manager and/or employee who receives gifts, or other form of benefit, not directly attributable to normal courtesy relations, must take all appropriate steps in order to refuse such a gift. In the event of a negotiation, the representatives agree not to:

- offer work and / or business opportunities for the personnel involved in the negotiation, or their family members
- offer gifts, unless they are acts of commercial courtesy or modestly valuable benefits
- solicit or obtain confidential information which could compromise the integrity or reputation of Lucefin.

## **4.8. CONFIDENTIAL INFORMATION AND PRIVACY PROTECTION**

The activities of Lucefin constantly require data processing, both common and / or personal, in accordance with L. Decree 196/2003, managed in electronic and or paper form, in compliance with current legislation.

Each employee / collaborator is required to strictly respect the confidentiality of data and information learned by way of the activity performed. According to his/her level of responsibility, he/she is required to preserve and protect the integrity and the access to the corporate information entrusted to him/her.

## **5. CODE IMPLEMENTATION PROCEDURES**

All employees / collaborators as well as the entities which for any reason carry out their activities in favour of the company, are required to know the rules contained in the code and the reference standards which regulate the activity carried out within their role, deriving from the law or from internal procedures and regulations. All employees/collaborators must also accept the commitments which derive from this code, at the time of establishing the employment relationship, in relation to the dissemination of the code or to any relevant changes or additions. In particular, employees/collaborators must:

- Refrain from any behaviour contrary to the rules contained in the code
- Contact their superiors, company contacts or the body responsible for overseeing the code, in the event of a request for clarification on how these rules should be applied.
- Promptly report (not anonymously) any information, directly detected or reported by others, concerning possible violations and any request to superiors, to company contacts or to the body responsible for overseeing the code
- Collaborate with the departments appointed to verify possible violations

- Appropriately inform any third party with whom they come into contact during their work of the existence of the code and of the commitments and obligations this imposes towards external parties
- Require compliance with the obligations that directly affect their activity
- Adopt appropriate internal initiatives and, if within their jurisdiction, external ones in case of non-fulfilment by third parties of the obligation to comply with the rules of the code.

## 6. SUPERVISORY BOARD

A Supervisory Board is set up specifically for the following tasks concerning the implementation of the code:

- to monitor the application of the code by the parties concerned, by applying specific audits and receiving any reports provided by internal and external parties
- to report periodically to the board of directors on the results of the activity carried out, notifying any significant violations of the code
- to express opinions on the revision of policies and procedures, in order to ensure consistency with the code
- to suggest, when necessary, the periodic revision of the code.

## 7. DISCIPLINARY SYSTEM

### 7.1. General principles

Compliance with the rules contained in the Code of Ethics must be considered an essential part of the contractual obligations envisaged for Lucefin employees (pursuant to Article 2104 of the Civil Code), as well as for collaborators not employed by the Group.

The Code of Ethics can be considered effectively implemented only if it introduces an internal disciplinary system suitable for punishing the non-observance of the measures specified therein. Disciplinary sanctions are applied regardless of the outcome of any criminal proceedings, as such rules are adopted by Lucefin autonomously and independently from the offence that any such conduct may determine.

### 7.2. Measures towards employees

These can be divided into conservative and decisive disciplinary measures and are applied on the basis of the importance of the individual cases considered. Sanctions will also be proportionately allocated, according to their seriousness, as: verbal reprimand, written reprimand, fine not exceeding 3 hours of pay, suspension from work and pay up to a maximum of 3 days, dismissal with notice, dismissal without notice.

To better clarify the correlation criteria between behaviours and disciplinary measures adopted, it is envisaged that:

1) The worker will incur in conservative disciplinary measures if:

- he/she violates internal procedures or behaves in a way that does not comply with the provisions of the Code of Ethics or adopts, when carrying out his/her duties, a behaviour which does not comply with the Accident Prevention Directives.

2) The worker will incur in decisive disciplinary measures if:

- he/she adopts a behaviour that does not comply with the directives of the Code of Ethics and which is aimed at committing an offence which would undermine the Company's trust in relation to the worker or such as to determine the actual application of measures provided for by the employment contract



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- while working in “at risk” areas, he/she adopts a behaviour which clearly violates the provisions of the Code of Ethics and which could cause serious moral or material damage to the Company and which does not allow continuing the relationship, even temporarily.

The disciplinary sanctions and the Code of Ethics are brought to the attention of the worker by their posting in a place accessible to everyone.

### **7.3. Measures towards executives**

Should the violation of the principles established by the Code of Ethics be committed by managers, the most appropriate measures will be adopted in compliance with the provisions of the relevant National Collective Labour Contract.

### **7.4. Measures against directors**

In case of violation of the Model or of the Code of Ethics by the directors of Lucefin, the Supervisory Body will inform the entire Board of Directors and the person in charge of the statutory audit of the financial statements of the company concerned, who will take the appropriate actions.

### **7.5. Measures against external collaborators**

Any behaviour held by Lucefin’s non-employed collaborators or commercial associates, in contrast with the guidelines indicated by the Code of Ethics and such as to entail the risk of committing a crime sanctioned by law, may determine the termination of the contract, without prejudice to any request for reimbursement of the greater damage should this behaviour cause concrete damage to the Lucefin Group itself.

## **8. FINAL PROVISIONS**

This Code of Ethics has been approved by the Shareholders’ Meeting of the Lucefin Group, and any modification must be approved by said body.

Board of Directors

