

Organisation, Management and Control Model

pursuant Italian Legislative Decree no. 231/2001

General Section

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References to external legislation	<input type="checkbox"/> Italian Legislative Decree no. 231/2001 <input type="checkbox"/> Italian Law no. 179/2017 containing “ <i>Provisions for the protection of those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship</i> ” (so-called “ <i>Whistleblowing</i> ”) <input type="checkbox"/> Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (so-called “ <i>Whistleblowing</i> ”).
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Definitions

- **Relevant Activities or Sensitive Activities:** activities carried out directly by Acciai Vender S.p.A. in which there is the potential risk of committing the Offences.
- **CCNL:** the National Collective Labour Agreement applied by Acciai Vender S.p.A. to its employees
- **Company or Acciai Vender or AV:** Acciai Vender S.p.A.
- **Code of Ethics:** Vender Group Code of Ethics, adopted by Acciai Vender Board of Directors, containing ethical principles, moral duties and rules of conduct that all those who belong to Vender Group Companies are required to respect, also in relation to the activities in which the offences envisaged by Legislative Decree no. 231/2001 can be integrated.
- **Collaborators:** those who provide their services on an ongoing basis in favour of AV without any subordination bond.
- **Consultants:** subjects who act in the name and/or on behalf of AV by virtue of a mandate agreement or other contractual relationship concerning a professional service.
- **Recipients:** the members of the statutory bodies, the Employees, the Collaborators, the Consultants, the Suppliers and, in general, all third parties who act on behalf of the Company in the context of the Relevant Activities.
- **Employees:** people having a subordinate employment relationship with the Company, including managers.
- **Legislative Decree no. 231/2001 or the Decree:** Italian Legislative Decree no. 231 of 8 June 2001.
- **Guidelines:** the Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree no. 231/2001 approved by Confindustria in the latest version updated in June 2021.
- **Model or Model 231:** the Organisation, Management and Control Model drawn up, adopted and implemented pursuant to Legislative Decree no. 231/2001 (in its subdivision into General Section and Special Section).
- **Public Administration or PA:** public bodies and/or subjects like them (e.g., concessionaires of a public service), regulated by the legislation of Italian, European or foreign legislation and/or by international law, and, with reference to crimes against of the Public Administration, public officials and people in charge of a public service who work for them.
- **Offences:** the offences to which the regulations envisaged by Legislative Decree no. 231/2001 apply.
- **Supervisory Body or SB:** 231 Supervisory Body (in Italian, *Organismo di Vigilanza*), that is exclusively responsible for the supervisory activities on the functioning, observance and updating of the Model.
- **Top Management:** people who, within the context of AV, hold functions of representation, administration or management of the Company or of one of its organisational units with financial

and functional autonomy, as well as people who exercise, even *de facto*, the management and control of AV.

- **Subordinates:** people who, within the Company, are subject to the management or supervision of one of the Top Management.

- **Whistleblowing:** the reporting of unlawful act or omission that constitutes or may constitute a violation of Model 231, Vender Group Code of Ethics and any internal and external regulations which apply to the Company's activities, through the channels set up by Acciai Vender.

1 Introduction

1.1 Introduction to the Organisation, Management and Control Model

This document represents the formalization of Organisation, Management and Control Model adopted by Acciai Vender, pursuant to and for the purposes of Legislative Decree no. 231/2001.

The document consists of two Sections:

- “General Section”, which includes a reference to the general principles set out in the Decree and the illustration of the essential components of the Model, with particular reference to the:
 - AV Governance Model and Organisational Structure;
 - Supervisory Body;
 - Disciplinary System;
 - personnel training and internal and external disclosure of the Model.
- “Special Section”, in which are:
 - identified, with reference to the type of crimes applicable to AV, the Relevant Activities in which there is the potential risk of committing the Offences envisaged by the Decree;
 - described, for merely educational purposes, some of the possible ways of committing Offences;
 - indicated the protocols and principles of conduct aimed at preventing the commission of the Offences.

With reference to the crimes not expressly indicated in the Special Section, it is necessary to specify that, although all the predicate crimes were considered in the preliminary assessment phase, the probability of their commission was considered remote both due to the type of crimes and the Company activities.

In reference to these offences, however, Acciai Vender complies with the fundamental principles expressed in the Vender Group Code of Ethics, as well as with the general control principles described in this General Section.

1.2 The Legislative Decree no. 231/2001

1.2.1 Introduction

The Decree introduced into Italian legislation the concept of administrative liability for legal entities.

In particular, the art. 5, paragraph 1, of Legislative Decree no. 231/2001 provides that entities may be held liable for certain crimes (generally malicious, sometimes negligent), committed or attempted, in the interest or to the advantage of the companies themselves:

- a) by people holding representation, administration or management functions for the entity or by one of its organisational units endowed with financial and functional autonomy and by the people exercising the *de facto* management or control thereof (so-called “Top Management”);
- b) by people under the management or supervision of one of the subjects referred to in letter a) (so-called “Subordinates”).

The entity is not responsible if the subjects indicated above have acted solely in their own interest or in the interest of third parties and/or have fraudulently circumvented the Model and the organisational structure of the entity.

The entity's administrative liability therefore lies beyond and is different from the criminal liability of the natural person who materially commits the offence.

The sanctions provided by the Decree directly affects not only the people who manage Acciai Vender (Administrators, Directors, Managers, etc.), but also the Company itself.

This form of liability, albeit labelled "administrative" by the legislator, presents a few characteristics that are specific to criminal liability such as, for example, the fact that the offences are referred to the competent criminal court for the detection of the predicate crime and that the procedural protections provided for the natural person suspected or accused in the criminal trial are extended to the entity.

The Decree also requires the determination of the entity's guilt to claim liability. This provision is ultimately referable to the "organisation's guilt", intended as the entity's failure to adopt adequate measures capable of preventing the commission of offences by the subjects indicated in the Decree, listed in the following paragraph.

The entity's liability may also exist where the natural person, referable to the entity, has participated in its implementation with external subjects or the offender hasn't been identified.

1.2.2 Crimes established by Decree 231

The administrative liability of entities can be caused by the commission of the following types of crimes:

- 1) Crimes against Public Administration (articles 24 and 25, Decree 231);
- 2) Computer crimes and unlawful data processing (article 24-*bis*, Decree 231);
- 3) Organised crime offences (article 24-*ter*, Decree 231);
- 4) Counterfeiting currency, credit cards, tax stamps and identifying instruments or signs (art. 25-*bis*, Decree 231);
- 5) Crimes against industry and trade (article 25-*bis*.1, Decree 231);
- 6) Corporate crimes (article 25-*ter*, Decree 231);
- 7) Crimes committed for the purpose of terrorism or subverting the democratic order provided for in the Italian Criminal Code or in special laws (article 25-*quater*, Decree 231);
- 8) Female genital mutilation practices (article 25-*quater*.1, Decree 231);
- 9) Crimes against individuals (article 25-*quinquies*, Decree 231);
- 10) Market abuse (article 25-*sexies*, Decree 231);
- 11) Manslaughter or serious or grievous bodily harm, committed in breach of the rules on occupational health and safety (article 25-*septies*, Decree 231);
- 12) Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering (article 25-*octies*, Decree 231);
- 13) Crimes regarding non-cash payment instruments (article 25-*novies*, Decree 231);
- 14) Inducement not to make statements or to make false statements to the judicial authorities (article 25-*decies*, Decree 231);
- 15) Environmental crimes (article 25-*undecies*, Decree 231);

- 16) Employing citizens from third countries residing without authorization (article 25-*duodecies*, Decree 231);
- 17) Racism and xenophobia crimes (article 25-*terdecies*, Decree 231);
- 18) Fraud in sports competitions, unlawful gaming or betting or gambling exercised through any prohibited equipment (article 25-*quaterdecies*, Decree 231);
- 19) Tax crimes (article 25-*quinquiesdecies*, Decree 231);
- 20) Smuggling (article 25-*sexiesdecies*, Decree 231);
- 21) Crimes against the cultural heritage (article 25-*septiesdecies*, Decree 231);
- 22) Laundering of cultural goods and devastation and looting of cultural goods and landscapes (article 25-*duodevicies*, Decree 231);
- 23) Transnational Crimes (Italian Law no. 146/2006)¹.

1.2.3 Penalties established by Decree 231

In the event of commission or attempted commission of the crimes mentioned above, the entity may incur the following penalties:

- *financial penalties* which are based on a system of “quotas”². The judge calculates the number of quotas and, subsequently, proceeds to determine the monetary value of each quota. The final amount of the financial penalty depends on the seriousness of the fact, the degree of liability of the entity and the activity carried out to eliminate or mitigate the consequences of the fact or to prevent the commission of further offences;
- *interdictory penalties*, which are:
 - a temporary or permanent ban on conducting the business activity;
 - the suspension or withdrawal of authorisations, licenses or permits enabling the commission of the offence;
 - a ban on contracting with the Public Administration, other than to obtain a public service;
 - the exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted;
 - a ban on advertising goods or services;
- *confiscation* of the price or profit from the crime;
- *publication of the sentence*.

The Decree also establishes, as an alternative to the interdictory penalty consisting in the ban on conducting the entity's activity, the appointment of a judicial commissioner who allows the continuation

¹ The offences that qualify as transnational crimes are the following: criminal conspiracy (article 416 of the Criminal Code); mafia-type associations, including foreign ones (article 416-*bis* of the Criminal Code); inducement not to make statements or to make false statements to the judicial authorities (article 377-*bis* of the Criminal Code); criminal conspiracy for the purpose of smuggling foreign manufactured tobacco (article 291-*quater* of Presidential Decree no. 43 of 23 January 1973); association aimed at the illicit trafficking of narcotic or psychotropic substances (article 74 of Presidential Decree no. 309 of 9 October 1990); smuggling of migrants (article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of Legislative Decree no. 25 July 1998, no. 286); crime of personal aiding and abetting (article 378 of the Criminal Code).

² The amount of a quota ranges from a minimum of Euro 258.23 to a maximum of Euro 1,549.37.

of the activity for a period equal to the duration of the penalty applied, when at least one of the following conditions is met:

- a) the entity performs a public service or a service of public necessity the interruption of which can cause serious damage to the community;
- b) the interruption of the entity's activity could have significant repercussions on employment, considering its size and the economic conditions of the territory in which it is located.

Finally, it should be recalled that the public prosecutor may request the precautionary application of one of the interdictory penalties when there are serious indications for deeming the existence of the liability of the entity and there are well-founded and specific elements which lead to believe that there is a concrete danger that offences like the one for which the judicial authority is proceeding will be committed.

In the case of the commission of an administrative offence dependent on a crime, the financial penalty is always applied to the entity, while the interdictory penalty is applied only in relation to the crimes for which it was expressly provided for.

Administrative liability may arise even if the underlying offence is merely attempted and not fully committed, but, in this case, the amount of financial penalties and the duration of interdictory penalties are reduced by a third to a half. However, liability is excluded if the entity voluntarily prevents the completion of the action or the realization of the event (art. 26 of Legislative Decree no. 231/2001).

The Decree expressly provides that administrative liability is excluded if the entity has adopted and effectively implemented an Organisation, Management and Control Model suitable for preventing the offences envisaged by the Decree.

In the case of crimes committed by Top Management, in order to benefit from the exemption established in the Decree, the Company must demonstrate that:

- an Organisation, Management and Control Model suitable for preventing crimes of the same type as the one committed has been adopted and effectively implemented before the offence was committed;
- a Supervisory Body has been entrusted with the task of supervising the functioning, updating and observance of the Model;
- there has not been omitted or insufficient supervision by the Supervisory Body;
- the offender acted by fraudulently eluding the Model³.

In the case of crimes committed by Subordinates, on the other hand, the public prosecution will have to provide proof that:

- an Organisation, Management and Control Model suitable for preventing crimes of the same type as the one committed has not been adopted and effectively implemented before the actual commission of the crime;
- the occurrence of the crime depended on the non-compliance with the management and supervisory duties of Top Management.

Therefore, in the case of crimes committed by Top Management, the failure to adopt and effectively implement a Model will probably result in the administrative liability of the Company.

³ According to case law, all organizational protocols must be considered, even if they are not referred to in the Model.

Instead, if the crimes pursuant to Legislative Decree no. 231/2001 have been committed by Subordinates, the failure to adopt and effectively implement the Model will not automatically result in the Company's liability. It will be also necessary for the public prosecution to prove that the commission of the offence was made possible by the non-compliance with the management and supervisory and, essentially, that there has been the so-called "organisation's guilt".

To be deemed efficient in preventing the commission of the offences contemplated in Legislative Decree no. 231/2001, the Organisation, Management and Control Model must:

- identify the activities in relation to which offences may be committed;
- provide for specific direct protocols and schedule training and implementation of decisions by the entity regarding offences to be prevented;
- provide for specific protocols for financial resources management to prevent offences from being committed;
- provide for obligations to disclose information to the Supervisory Body tasked with overseeing the working of and compliance with the Model;
- introduce a disciplinary system to punish non-compliance with the measures set out in the Model.

In order to effectively implementing the Model, the Decree 231 requires:

- periodic audits on the actual implementation of, and compliance with, the Model;
- Model's updates when any significant violation of the provisions is found or when changes occur in the organisation or in its activity;
- the concrete application of a disciplinary system capable of punishing any non-compliance with the measures indicated in the Model;
- adequate staff information and training initiatives.

1.2.4 Crimes committed abroad

Pursuant to art. 4 of Decree 231, the administrative liability may exist also in the case of crimes committed abroad if the established objective and subjective criteria for attribution are met.

The Decree conditions the possibility of prosecuting the entity for crimes committed abroad on the existence of the following additional conditions:

- the crime is not prosecuted by the country where the crime was committed;
- the entity has its principal place of business in Italy;
- the crime is committed abroad by a party functionally connected to the entity;
- the general conditions established in articles 7, 8, 9, 10 of the Italian Criminal Code apply for the prosecution in Italy of a crime committed abroad (in cases where the law provides that the offender - a natural person - is punished at the request of the Minister of Justice, proceedings are taken against the entity only if the request is also formulated against the entity itself). The reference to the articles 7-10 of the Criminal Code has to be coordinated with the provisions of the offences referred to in Chapter I of Legislative Decree no. 231/2001, so that - also in compliance with the principle of legality pursuant to article 2 of Legislative Decree no. 231/2001 - against the series of crimes mentioned in the articles 7-10 of the Criminal Code, the company will only be able to answer for those for which its liability is provided for by a legislative provision.

Furthermore, in application of the principle of territoriality⁴, the discipline of administrative liability applies also to foreign companies that operate in the Italian territory and whose directors or employees commit one or more of the crimes indicated in Legislative Decree no. 231/2001.

The presence in the national territory of secondary offices of foreign companies does not, on the other hand, imply the prosecution of these entities also for offences committed in the country of origin or in any case outside Italy. The fact committed in the interest of a foreign entity whose organisational shortcomings occurred entirely abroad does not fall within the scope of the Decree.

1.2.5 Administrative liability in company groups

The application of the principles introduced by Legislative Decree no. 231/2001 in the context of corporate groups raises the delicate question of the possible extension, to the parent company or to other companies belonging to the Group, of the administrative liability consequent to the ascertainment of a crime committed by one of the companies of the Group.

The Decree, which does not expressly deal with the aspects connected to the liability of the entity belonging to a group of companies, provides for an attribution criterion anchored to the single entity⁵ and therefore, since there aren't examples of migration of liability from one company to the other, it is appropriate to find a juridical foundation of the phenomenon.

According to an initial jurisprudential orientation, the administrative liability of the companies belonging to a group would be anchored to the proof of a precise involvement of the same in the perpetration of the predicate crimes or, at least, in the conducts that led to the acquisition of an illicit profit and in the achievement of any illicit benefits, including non-pecuniary benefits (Cass. Pen., judgments nos. 24583/2011; 4324/2013; 2658/2014). Consequently, it was observed that it is not possible to automatically infer the liability of subsidiaries from the mere existence of the relationship of control or connection within a group of companies. The judge must explicitly identify and justify the existence of the criteria for attributing responsibility for the crime also to the subsidiaries.

Finally, it was argued that: "*if the predicate offence has been committed by a company that is part of a group or business combination, liability can extend to associated companies only on condition that the interest or advantage of a company also accompanies the competitor from another company and the natural person who committed the predicate offence is in possession of the necessary subjective qualification, pursuant to article 5 of the Legislative Decree no. 231/2001, for the purposes of the common imputation of the administrative offence from a crime*"⁶.

It should also be specified that corporate control or management and coordination are not a sufficient condition to charge the top management of the parent company with the crime of omission envisaged

⁴ "Anyone who commits a crime in the territory of the State is punished according to Italian law", article 6, paragraph 1, Criminal Code.

⁵ According to Confindustria (*Guidelines for the construction of organisation, management and control models, updated June 2021*): "the group cannot be considered a direct centre of imputation of liability for a crime and cannot be classified among the subjects indicated by art. 1 of the Decree. The screen of the distinct legal personality of the companies that compose it remains an unsurpassable fact. Therefore, direct responsibility of the group under the Decree cannot be asserted in any way. On the contrary, the entities that make up the group can be held liable for crimes committed in carrying out the business activity. It is therefore more correct to ask oneself about the responsibility for crime in the group."

⁶ Cass. Pen., judgement no. 52316/2016.

by art. 40 paragraph 2 of the criminal code (“*not preventing an event, which one has a legal obligation to prevent, is equivalent to causing it*”), if the offence is committed in the activity of the subsidiary. In fact, there isn’t presumptive position of guarantee for the top management of the parent company, relating to the prevention of the commission of offences within the subsidiary companies.

However, for a better containment of the relevant risks pursuant to the Decree within the groups, it is suggested⁷ that each corporate entity:

- equip itself with its own independent Organisation Model;
- appoint its own Supervisory Body.

1.2.6 Adoption of Organisation Models within the coordinated companies

The single coordinated Companies are directly and exclusively responsible for the adoption and implementation of the respective Model, which complies with the provisions of articles 6 and 7 of the Decree and the requirements set out below.

The respective Boards of Directors approve the adoption of the Model, in the interest of the individual company, as a controlled entity within a more complex Group.

In adopting the Model, the coordinated Companies must consider the content of the AV Model and any indications provided by the Parent Company for guidance and coordination purposes, evaluating, in relation to the activity carried out, their specific risk areas, identified through the analysis of their organisational structure and operations.

Acciai Vender may indicate, among other things, the structure of the code of conduct, the common principles of the disciplinary system and some implementation protocols. However, these components of the model must be implemented independently by each company of the group and adapted to the respective corporate situations, providing - where appropriate - for further ethical behaviour principles specifically determined in relation to the individual operations of the entity and the crimes relevant to it.

The Board of Directors of each coordinated company proceed to identify their own 231 Supervisory Body, that is exclusively responsible for the supervisory activities on the functioning, observance and updating of the Model and inform the Board of Directors and its control body of the related results.

Without prejudice to the autonomy of each of the Supervisory Bodies set up within the coordinated companies, for the purpose of coordination, however, the comparison between them is ensured through the scheduling of periodic meetings, the circulation and reciprocal sharing of information useful for better prevention of risks associated with Group operations, as well as for the evaluation of the activities carried out and the implementation of the Models adopted.

2 Acciai Vender S.p.A. Organisation, Management and Control Model

Acciai Vender S.p.A., founded in 1976, has specialized in the distribution and transformation of stainless steel through the processes of satin finishing, scotch brite, polishing, duplo and sheet metal engine turning.

⁷ See Confindustria Guidelines.

The Company assumes that the 231 Model integrates the Governance system adopted for the management and monitoring of business Sector, on the fundamental assumption that the specific rules established by the Model in terms of crime prevention, are placed in a broader context of principles, missions, proxies and processes assumed as the basis of the governance and internal control system.

From this point of view, AV adopts a governance model divided into two subsystems: general governance and operational governance.

2.1 General governance

Governance pertains to the general organization and internal control systems and bases its presuppositions in the definition of functional missions and in the attribution of congruent proxies and powers of attorney.

2.1.1 Principles of attribution of proxies and powers of attorney

The system for assigning corporate proxies and powers of attorney is an integral part of the internal control system and constitutes a further measure for the prevention of the crimes referred to in Legislative Decree no. 231/2001.

The definition of the criteria for the assignment of proxies and powers of attorney is the responsibility of the Board of Directors and the Chairman.

The system of proxies and powers of attorney must have:

- a management tool for carrying out deeds having external or internal relevance, necessary for the pursuit of corporate objectives, which is congruent with the management responsibilities assigned to each subject;
- a factor for preventing the abuse of the assigned functional powers, by defining the economic limits for each deed or series of deeds;
- an incontrovertible element of traceability of company deeds, having external or internal relevance, to the natural persons who adopted them. The usefulness of the system derives from this characteristic both in preventing the commission of crimes and in the subsequent identification of the subjects who have adopted deeds, directly or indirectly, connected to the commission of the crime.

The system of proxies and powers of attorney must be characterized by elements of "security" for the purpose of preventing crimes (evidence and traceability of sensitive operations) and, at the same time, allow for the efficient management of the corporate activity.

The essential requirements of the delegation system, for the purposes of effective prevention of abuse of powers are as follows:

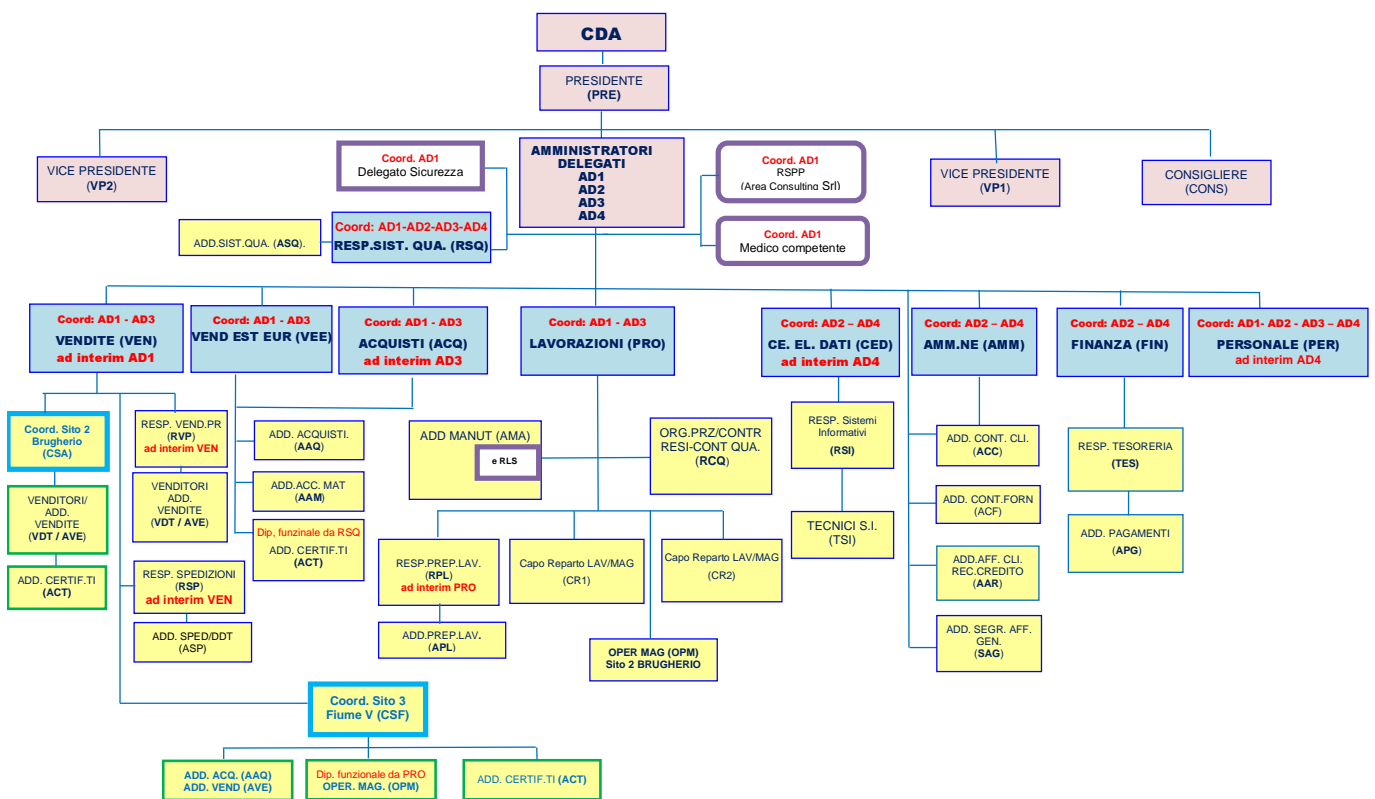
- all those (including Employees, Consultants, Partners or corporate bodies of other Group companies) who maintain relations with the Public Administration on behalf of AV must be provided with a formal proxy and, where necessary, with a specific power of attorney;
- the proxies combine each management power with the relative responsibility and with an adequate position in the company structure and are updated because of organisational changes;

- each proxy specifically and unequivocally defines the powers of the delegate, and the corporate functions make identifiable the subject (body or individual) to whom the delegate reports hierarchically;
- the management powers assigned with the proxies and their implementation must be consistent with the corporate objectives;
- the delegate has adequate spending powers for the functions assigned to him.

2.1.2 Organisation and functional mission adopted

In line with the principles described above, the BoD of AV has defined the apical roles which are those of the Chairman and the Chief Executive Officers.

At the time of adoption of this Model, the organizational chart in force is as follows:



2.2 Operational governance

Operational governance pertains to the core processes for which the Company has identified operational control standards which regulate all the activities and controls necessary for the performance of the related functions according to parameters of quality, reliability and monitoring of the service offered.

Operational governance is achieved through the adoption of the Quality Manual which contains the necessary control tools identified and implemented in multi-year activities, such as:

- Internal procedures and operating instructions;
- Management of non-conformities and preventive/corrective actions

which form an integral part of this Model.

2.3 Purpose of the Model

The Model was adopted in the belief that, beyond the provisions of the Decree, which indicate it as an optional and non-mandatory element, it can constitute a valid awareness-raising tool for all those who operate in the name and on behalf of AV, so that in carrying out their activities, they follow correct conduct, in order to prevent the risk of committing the offences contemplated in the Decree.

Therefore, the Model aims to:

- allow the exemption of AV's administrative liability in case of commission of crimes;
- improve the Corporate Governance system;
- set up a structured and organic system of prevention, supervision and control aimed at reducing the risk of committing crimes connected to the company's business, with particular regard to the prevention of any unlawful conduct;
- disclosure, in all those who work in the name and on behalf of AV in the risk areas, the awareness of being able to incur, in the event of violation of the provisions contained therein, an offence liable to sanctions, on a criminal and administrative level, not only towards himself but also towards AV;
- inform all those who operate in the name, on behalf or in any case in the interest of AV that the violation of the provisions contained in the Model will result in the application of appropriate sanctions, including the termination of the contractual relationship;
- reiterate that AV does not tolerate unlawful conduct, of any kind and regardless of any purpose, as these (even if AV was apparently able to take advantage of it) are in any case contrary to the ethical principles to which AV intends to abide;
- actively censor conduct in violation of the Model through the imposition of disciplinary sanctions and/or activation of contractual remedies.

Among other things, the Decree requires that the Model provide for:

- one or more channels that allow top management and subordinates to submit, for the protection of the integrity of the entity, detailed reports of unlawful conduct which is relevant pursuant to the Decree and based on precise and consistent factual elements, or of any breaches of the entity's Model, of which they may have become aware by reason of the functions performed; these channels, moreover, must guarantee the confidentiality of the identity of the whistleblower;
- at least one alternative reporting channel capable of ensuring, by computerised means, the confidentiality of the identity of the whistleblower;
- the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report;
- in the disciplinary system, sanctions against those who breach the measures for the protection of the whistleblower, as well as those who intentionally or grossly negligently make reports that prove to be unfounded.

2.4 Recipients

The Recipients of the Model are:

- the Directors and all people who hold representation, administration and management functions, even *de facto*, of the Company or in any case of one of its organisational units with financial and functional autonomy, as well as the members of the other corporate bodies;
- people linked to AV by a subordinate employment relationship;
- external subjects who are linked to AV by relationships of "subordination" or "quasi-subordination" (e.g., external consultants, people who are linked to the Company by a coordinated and continuous collaboration contract or a contractual or regulatory obligation that subjects them to the supervision and control of top management).

2.5 Methodological approach

The methodology chosen for the design of the Model, in terms of organization, definition of operating methods, structuring in phases and assignment of responsibilities among the various corporate functions, was defined by AV in order to guarantee the quality of the results.

The design process of the Model, in accordance with the provisions of art. 6 of Legislative Decree no. 231/2001, with the most significant jurisprudential pronouncements and with the recommendations of the Confindustria Guidelines, took place through the phases listed below.

2.5.1 Preliminary mapping of activities and analysis of potential risks

In this phase, the analysis of the corporate context is carried out, to identify the areas of activity at risk of committing offences relevant to AV pursuant to the Decree.

The preliminary identification of the business activities and the so-called "risk areas" was implemented on the basis of the study of the specific context in which AV operates and through the examination of the Company's documentation (organisational chart, processes, internal regulatory body, proxies, etc.), in order to identify the crimes that could potentially be committed in the context of business activities and the managers of the risk areas (hereinafter also referred to as "Key Officers").

The result of this analysis was represented in a document containing the preliminary map of all AV activities potentially at risk.

2.5.2 Gap Analysis on the internal control system

Once the risk activities, the Key Officers and the related potential crimes had been identified, it was carried out an analysis of the preventive controls existing in the areas potentially at risk. The analysis was aimed at formulating a judgment of suitability through a comparative analysis with an abstract reference Model, based on the content of the provisions of the Decree.

In this phase, the components of the existing preventive control system were identified through the analysis of the related documentation and the conduct of interviews with the Key Officers.

2.5.3 Action plan for the elimination of the identified deficiencies

In view of the divergences highlighted by the comparative analysis with the corporate reality and a theoretical reference Model, the areas for improvement of the existing control system were identified and, based on what emerged, it was prepared an action plan aimed at identifying the requirements

characterizing a Model compliant with the provisions of the Decree and, where necessary, the related actions to improve the internal control system.

The result of this activity was formalized in a document called “*Action Plan*”, which highlights, given the deficiencies identified, the actions to improve the internal control system, to be implemented in order to make the AV Model aligned with the requirements of the Decree.

2.5.4 Definition of the Model

The AV Model was defined considering the results of the previous phases as well as on the direction choices of the top management.

The control system implemented to ensure the effectiveness of the Model is structured as follows:

- sufficiently formalized organisational system, which highlights the tasks and responsibilities of each business Sector;
- internal control system, characterized by the following general control principles, which form the basis of the tools and methodologies used to structure the specific control principles present in the Special Section of the Model:
 - existence of formalized procedures, suitable for providing principles of conduct, which describe operating methods for carrying out sensitive activities, as well as methods for archiving the relevant documentation;
 - segregation of duties between those who authorize, those who execute and those who control;
 - existence of a system of proxies and powers of attorney consistent with the organizational and management responsibilities assigned, defined and known within AV;
 - *ex-post* traceability and verifiability of transactions through suitable documentary/IT supports;
- system of ethical principles and rules of conduct aimed at preventing the crimes envisaged by the Decree and also referred to in the Vender Group Code of Ethics;
- communication and training system aimed at all AV personnel, concerning all the elements of the Model;
- disciplinary system suitable for punishing the violation of the rules contained in the Model and in the Vender Group Code of Ethics.

These components constitute valid safeguards for all the types of crime envisaged by the Decree. As regards the specific controls and protocols, please refer to the Special Section.

The AV Model is therefore made up, as mentioned, in addition to the various components of the organisational structure, by this **General Section** and by the **Special Section**, which all Recipients, in relation to the type of existing relationship with the Company, are required to know and respect.

The **Special Section** reports: the Relevant Activities pursuant to Legislative Decree no. 231/2001; the Key Officers of each Relevant Activity; the types of offences considered relevant for AV that can abstractly be integrated in the execution of the Relevant Activity; the exemplary ways of committing the crime; the Controls and Principles of the Internal Control System, also prepared for the purpose of mitigating the risk of unlawful conduct.

The Model also consists of the following Annexes to this General Section:

- **Vender Group Code of Ethics**, containing the set of ethical principles of conduct that individuals working for AV and Group companies are required to adopt, also in relation to

activities that may constitute the types of crimes envisaged by Legislative Decree no. 231/2001;

- **List and description of the crimes and administrative offences envisaged by Legislative Decree no. 231/2001**, which provides a brief description of the crimes and administrative offences the commission of which determines, upon occurrence of the conditions set forth in the Decree, the onset of administrative liability of the entity pursuant to and for the purposes of the legislation;
- **Information flows to the Supervisory Body pursuant to Legislative Decree no. 231/2001**, which provides, for each Relevant Activity envisaged in the AV Model, the information that must be transmitted, with the relative frequency, to the Supervisory Body. In particular, the information flows that are required of the business Sectors have been defined by following the distinction between general flows and specific flows, as well as also indicating a structure of flows by "exceptions". With reference to the latter category of flows, within the scope of relevant activities pursuant to Legislative Decree no. 231/2001, the Sectors are also required to communicate to the Supervisory Body: (i) the exceptions to the procedural method of carrying out the activities in question; (ii) the activities performed and not proceduralized; (iii) any other exception noted by the Key Officer.

3 Supervisory Body pursuant Legislative Decree no. 231/2001

Article 6 of Legislative Decree no. 231/2001 relates the liability exemption of the enterprise to the adoption and effective implementation of an organisation, management and control model that can prevent the commission of the criminal offences considered by such legislation and requires the establishment of a Supervisory Body within the entity with autonomous powers of initiative and control.

The functioning of the Supervisory Body is established in its Regulation, which must, among other things, provide for:

- that the contents of the SB meetings and the decisions taken during them are minuted;
- the scheduling of the SB activities, defining a frequency of at least quarterly meetings.

3.1 Requirements of Supervisory Body

Based on the indications contained in the articles 6 and 7 of the Decree, the AV Supervisory Body satisfies the following requirements:

- **autonomy and independence:** these requirements are essential so that the SB is not directly involved in the management and operational activities which constitute the object of its control activity. These can be preserved by guaranteeing the Supervisory Body hierarchical independence, as high as possible, and a multi-subject structure, with reporting activity to top management;
- **continuous action:** the Supervisory Body is required to:
 - constantly supervise the functioning of and compliance with the Model by exercising their investigative powers;
 - have an adequate budget for verification activities.

The autonomy and independence of the SB are also guaranteed by the provision, as part of the budgeting process, of adequate financial, human and logistical resources consistent with the expected and reasonably obtainable results.

3.2 Duration of office, revocation and replacement of members of the Supervisory Body

The members of the Supervisory Body remain in office for three fiscal years and, in any case, until the appointment of successors and can be re-elected. They expire on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their office.

The termination of the members of the SB due to the expiry of the term takes effect from the moment in which the Supervisory Body was reconstituted.

The Board of Directors periodically verify the permanence of the honourability requirements for the members of the Supervisory Body.

3.3 Functions and powers

The tasks, activities and functioning of the Supervisory Body are governed by a specific Regulation adopted by the same Body.

The following functions are entrusted to the Supervisory Body:

- supervise the effective and concrete application of the Model, verifying that the behaviour within AV is respectful of the Model itself;
- evaluate the concrete and lasting adequacy of the Model to perform its function as a crime prevention tool;
- conduct in-depth investigations on reports of violations of the Group Code of Ethics and of the Model (for the crimes envisaged);
- periodically report to the competent bodies on the implementation status of the Model;
- develop proposals for modification and updating of the Model, necessary following changes in the legislation or in the organizational structure;
- verify the implementation and effective functionality of the changes made to the Model.

In conducting these functions, the Supervisory Body has the task of:

- propose and promote all the initiatives necessary for knowledge of this Model and the Vender Group Code of Ethics inside and outside AV;
- develop control and monitoring systems aimed at preventing the crimes referred to in the Decree;
- carry out checks on certain sectors or specific procedures of the Company's activity and conduct internal investigations to ascertain alleged violations of the provisions of this Model;
- verify that the elements envisaged by the Special Section are in any case adequate, effective and meet the requirements of compliance with the provisions of the Decree, providing, if not, to propose to the Company to update the elements themselves;
- coordinate with the other corporate functions, to analyse the map of the risk areas, monitor the implementation status of this Model and propose improvements or supplementary interventions in relation to the aspects pertaining to the coordinated implementation of the Model (instructions for the implementation of this Model, inspection criteria, definition of standard clauses, personnel training, disciplinary measures, etc.);
- collect, process and store data and information relating to the implementation of the Model.

For the performance of the functions and duties indicated above, the following powers are attributed to the Supervisory Body:

- broadly and extensively access the various company documents and, in particular, those concerning contractual and non-contractual relationships established by AV with third parties;
- take advantage of the support and cooperation of the various corporate Areas and bodies that may be interested, or in any case involved, in the control activities;
- assign specific consultancy and assistance tasks to expert professionals in legal matters and/or in the review and implementation of processes and procedures.

Further methods of exercising the powers of the Supervisory Body can be defined with an internal deed adopted by the Supervisory Body itself, of which information is given to the BoD.

3.4 Information flows and Whistleblowing

3.4.1 Information flows to the Supervisory Body

The Supervisory Body must be promptly informed, through a specific internal communication system, regarding those acts, behaviours or events which:

- may be considered relevant for the purposes of the Decree (general flows);
- may lead to a violation or suspected violation of the Model such as to expose AV to the risk of crime (specific flows).

The information flows, aimed at ensuring the correct functioning of the Model and facilitating the supervisory activity, are sent to the Body at the dedicated e-mail address organismivigilanza@acciaivender.it.

Any information, of any kind, also coming from third parties and pertaining to acts, behaviours or events that may be relevant for the purposes of implementing the Model in the areas of activity at risk, must be brought to the attention of the Supervisory Body.

The Supervisory Body keeps the information or reports envisaged in a special archive (IT or paper).

3.4.2 Information flows from the Supervisory Body

The Supervisory Body informs the Board of Directors, for the matters within its competence, of all the news it deems relevant pursuant to the Decree, as well as the proposals to amend the Model for the prevention of crimes.

The Board of Directors can convene the Supervisory Body at any time to report on the functioning of the Model or on specific situations.

More specifically, the SB is required to:

- promptly communicate to BoD any problems connected to the activities, where relevant;
- report, at least every six months, to the BoD on the activity carried out and on the implementation of the Model.

The SB may request to be summoned by the Board of Directors to report on the functioning of the Model or on specific situations. The meetings with the corporate bodies to which the SB reports must be minuted and the SB will keep a copy of these minutes.

The Supervisory Body may, by assessing the individual circumstances:

- communicate the results of its assessments to the Department managers, if aspects that could be improved arise from them. In this case it will be necessary for the Supervisory Board to obtain a corrective action plan from the managers, with an indication of the relative timing, for the implementation of the improvement activities, as well as the result of this implementation;
- report to senior management any conduct/actions that are significantly not in line with the Model.

4 Whistleblowing

The expression “whistleblower” refers to the employee who detects a possible fraud, a danger or another risk that could damage colleagues, shareholders, suppliers, the public or the reputation of AV itself and reports it to the bodies entitled to intervene.

This protection tool, already present in other countries such as the United States and England, was introduced into Italian legal system by Law no. 159 of 30 November 2017 containing "*Provisions for the protection of authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship*", which amended art. 6 of Legislative Decree no. 231/2001.

The *ratio* of the regulatory provision lies in the awareness that often, regardless of the seriousness or otherwise of the phenomenon encountered, employees do not report the irregularities for fear of retaliation or discrimination.

4.1 Whistleblowing report subject

Reports are considered relevant if concerning conduct, risks, crimes or irregularities, committed or attempted, to the detriment of the public interest. The report may concern actions or omissions:

- criminally relevant;
- carried out in violation of the Codes of Conduct (e.g., Code of Ethics, Model 231) or other corporate provisions or regulations;
- liable to cause financial or reputational damage to AV or to the employees or to other subjects who carry out their activity for the Company.

4.2 Whistleblowing report content

The whistleblower has to provide all the elements useful to allow the competent offices to proceed with the due and appropriate checks to verify the validity of the facts being reported.

The whistleblowing report should preferably contain the following elements:

- personal details of the whistleblower, with indication of the position or function performed within the Company;
- the clear and complete description of the facts to be reported;
- if known, the circumstances of time and place in which they were committed;
- if known, the general information or other elements (such as the qualification and service in which the activity is carried out) which allow to identify the person who carried out the facts subject of the report;
- the indication of any other subjects who can report on the facts subject to reporting;
- the indication of any documents that can confirm the legitimacy of these facts;
- any other information that can provide useful feedback on the existence of the reported facts.

Anonymous reports will be considered for further checks where they relate to particularly serious facts and with content that is adequately detailed and circumstantial.

4.3 Methods and recipients of the reports

The report can be addressed to the Supervisory Body or to the Chairman of the Board of Directors and, if it is received by any other AV employee, it must be promptly forwarded, by the recipient and in compliance with the guarantees of confidentiality, to the President of the Supervisory Body who is entrusted with its confidential protocolling and keeping of the relative register.

In particular, in order to facilitate the sending of reports to the Supervisory Body, also in compliance with the regulatory provisions indicated in Law no. 179/2017, the following channels have been established:

- e-mail (encrypted): segnalazioni@odvacciaivender.it;
- ordinary mail addressed to: Organismo di Vigilanza di Acciai Vender S.p.A., Via A.B. Nobel 4/A – 43122 Parma.

4.4 Verification of the validity of the Whistleblowing report

The management and verification of the validity of the circumstances represented in the report are entrusted to the Supervisory Body, which takes care of it in compliance with the principles of impartiality and confidentiality by conducting any appropriate activity, including personal hearing of the whistleblower and any other subjects who may refer on reported facts.

If at the end of the verification the report is considered well founded, the Supervisory Body in relation to the nature of the violation, will proceed to:

- file a complaint with the competent Judicial Authority;
- communicate the outcome of the assessment to the Board of Directors and to the Director of the Area to which the perpetrator of the reported violation belongs, so that they adopt the measures within their competence, including the exercise of disciplinary action.

4.5 Storage of documentation

To ensure the management and traceability of reports and related activities, the Supervisory Body ensures the archiving of all related supporting documentation for a period of two years from receipt of the report.

4.6 Whistleblower protection

A) Confidentiality obligations on the identity of the whistleblower and subtraction of the right to access the report

Except for cases in which liability for slander and defamation is configurable pursuant to the provisions of the Criminal Code or art. 2043 of the Civil Code and for cases in which anonymity is not enforceable by law (e.g., criminal, tax or administrative investigations, inspections by supervisory bodies), the identity of the whistleblower is protected in every context after the report. Therefore, the identity of the whistleblower cannot be disclosed without his express consent and all those who receive or are involved in the management of the report are required to protect the confidentiality of this information.

Violation of the obligation of confidentiality is a source of disciplinary liability, without prejudice to other forms of liability provided for by law.

B) Prohibition of discrimination against the whistleblower

Any form of retaliation or discrimination having effects on working conditions of whistleblower and directly or indirectly connected to the whistleblowing report is not permitted or tolerated with regard to the employee who makes a report in good faith to the SB.

“Discriminatory measures” means unjustified disciplinary actions, harassment in the workplace and any other form of retaliation that leads to intolerable working conditions.

Retaliatory or discriminatory dismissal, switch of job duties and any other measure against the reporting subject are null and void.

Employees who believe they have suffered discrimination due to reporting an offence must refer it to the Supervisory Body which, once the existence of the elements has been assessed, reports the hypothesis of discrimination:

- to the Chairman of the Board of Directors who promptly assesses the opportunity/need to adopt acts or measures to restore the situation and/or to remedy the negative effects of administrative discrimination and the existence of the grounds for initiating disciplinary proceedings against of the employee who is the author of the discrimination;
- to the business Structure that deals with disciplinary sanctions, for the procedures within its competence, in order to assess the existence of the grounds for initiating the disciplinary procedure against the employee who has made the discrimination.

4.7 Responsibility of the whistleblower

The penal and disciplinary liability of the whistleblower remains valid in the event of libellous or defamatory reporting pursuant to the Criminal Code and to art. 2043 of the Civil Code.

Any forms of abuse such as manifestly opportunistic reports and/or made for the sole purpose of damaging the accused or other subjects and any other hypothesis of improper use or intentional exploitation of the institution covered by this chapter are also a source of responsibility.

5 Disciplinary System

AV acknowledges and declares that the preparation of an adequate Disciplinary System for the violation of the Model's rules and provisions is an essential condition to ensure the effectiveness of the Model itself.

In this regard, the Decree provides that the organization and management models must "*introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model*", respectively for Top Management and Subordinates.

The application of the sanctions described in the Disciplinary System is independent of the outcome of any criminal proceedings, as the rules of conduct imposed by the Model are assumed by AV in full autonomy and regardless of the type of offences referred to in the Decree.

More precisely, failure to comply with the rules and provisions contained in the Model harms the existing relationship with AV and leads to sanctions and disciplinary actions regardless of the possible establishment or outcome of a criminal trial, in cases where the violation constitutes a crime.

5.1 Violations

The following constitutes a "Violation" of this Model (without limitation and not limited to):

- a) the implementation as well as the omission of actions or behaviours, not compliant with the law and with the provisions contained in the Model, which involve the commission of one of the crimes contemplated by the Decree;
- b) the implementation as well as the omission of actions or behaviours, which do not comply with the law and the provisions contained in the Model, which involve a situation of mere risk of committing one of the crimes contemplated by the Decree;
- c) the implementation as well as the omission of actions or behaviours, which do not comply with the law and the provisions contained in the Model, which do not involve a risk of committing one of the crimes contemplated by the Decree;
- d) the implementation as well as the omission of actions or behaviours, not compliant with the law and with the provisions contained in the Model, which lead to a deprivation or reduction of protection of the whistleblower, also in terms of confidentiality of his identity;
- e) the adoption of retaliatory and/or discriminatory measures against the whistleblower (for example dismissal, mobbing, demotion, etc.);
- f) the transmission, carried out with wilful misconduct or gross negligence, of Reports which prove to be unfounded by the Recipients of the Model.

5.2 Criteria for the application of sanctions against Employees

Pursuant to art. 2106 of the Civil Code, with reference to subordinate employment relationships, this Disciplinary System, limited to the cases contemplated in the Model, explains some contents already provided for by the National Collective Labour Agreement applied to Employees.

The Disciplinary System is divided into Sections, according to the classification category of the Employees pursuant to art. 2095 of the civil code

Any Violation committed by AV Employees constitutes a breach of the obligations (e.g., duties of diligence, obedience and loyalty) deriving from the employment relationship, pursuant to articles 2104, 2105 and 2106 of the Civil Code.

The type and extent of the specific sanctions will be applied in proportion to the seriousness of the Violation and, in any case, on the basis of the following general criteria:

- subjective element of the conduct (wilful misconduct, negligence);
- relevance of the violated obligations;
- potential for damage to AV and possibility of application of penalties provided for by the Decree;
- level of hierarchical or technical responsibility of the interested party;
- presence of aggravating or mitigating circumstances, with particular regard to the previous work performed by the Recipient of the Model and the disciplinary precedents of the last two years;
- possible sharing of responsibilities with other Recipients or third parties in general who have contributed to causing the Violation.

If several infractions have been committed with a single act, punished with different sanctions, only the most severe sanction will be applied.

Recurrence committed within a two-year period automatically entails the application of the most severe sanction within the envisaged type.

The principles of timeliness and immediacy of the dispute entail the imposition of the sanction (also and especially disciplinary sanction) regardless of the possible establishment and/or outcome of a criminal trial.

In any case, disciplinary sanctions to Employees must be imposed in compliance with art. 7 of the Workers' Statute and all other applicable legislative and contractual provisions, both as regards the applicable sanctions and as regards the form of exercise of this power.

5.3 Sanctions

5.3.1 General principles in the application of sanctions to Employees

The Employees' conduct in the mentioned above cases of Violations constitutes a disciplinary offence, from which the application of disciplinary sanctions derives.

In particular, the Disciplinary System must comply with the following principles:

- be adequately advertised;
- the sanctions must comply with the principle of proportionality to the infringement, which is specified by sectoral collective agreements, pursuant to article 2106 of the Civil Code;
- the suspension from service and remuneration from the economic treatment for Employees without managerial qualifications cannot exceed 10 days;
- the right of defence of Employees whose conduct has been contested must be ensured (article 7 of the Workers' Statute) and, in any case, the disciplinary measures more serious than the verbal reprimand cannot be applied before 7 days have elapsed from the written contestation of the facts. Within the previously mentioned period, the employee can request in writing access to specific documents relating to the facts, necessary for a complete exercise of the right of defence, without prejudice to the limitations established by the legislation on the processing of personal data. The term is consequently interrupted from the date of the request and starts again from the date on which the Company gives feedback to the employee.

The sanction must be adequate to guarantee the effectiveness of the Model.

The sanctions that can be applied to the personnel with the qualification of "employee" or "management" are included among those provided for by the National Collective Labour Agreement, while the sanctions for personnel with the qualification of "executive" will be imposed considering the trust relationship with AV.

This Disciplinary System and the Vender Group Code of Ethics are made accessible to Employees also through their publication on Company bulletin boards.

The entire Model is made accessible to Employees through its publication on the Company intranet. These publication methods guarantee full compliance with the provisions of paragraph I of art. 7 of the Workers' Statute.

5.3.2 Sanctions against Employees and Management

Without prejudice to the provisions of the Disciplinary System, the law and the CCNL:

- the non-executive Employee who, due to slight negligence, inexperience or imprudence, commits a Violation among those indicated in letter c) of paragraph 4.1 or adopts or tolerates conduct that does not comply with provisions and directives relating to the implementation of the Model and disseminated through internal service orders or other similar appropriate means, will receive a **VERBAL REPRIMAND**;
- the non-executive Employee who: (i) repeats conduct sanctioned with the disciplinary measure of verbal reprimand; (ii) omits with minor negligence to carry out an activity assigned to him or within his competence by virtue of the procedures contained in this Model (e.g., does not carry out communications and reports to the SB; does not carries out checks expressly prescribed; does not report dangerous situations, etc.); (iii) tolerates similar minor irregularities committed by other personnel or third parties; (iv) contravenes with minor negligence the express prohibitions resulting from the Model if this does not cause a danger of committing a crime contemplated by the Decree, will receive a **WRITTEN REPRIMAND**;
- the non-executive Employee who: (i) due to negligence, imprudence or inexperience of greater significance, commits or tolerates a Violation indicated in letter b) of paragraph 4.1; (ii) commits multiple infractions which can be punished with a verbal and/or written reprimand, will incur the **SUSPENSION FROM WORK AND FROM REMUNERATION FOR UP TO TEN DAYS**;
- the non-executive Employee who: (i) commits a significant Violation referred to in letter a) of paragraph 4.1; (ii) imparts to other Employees and/or third parties instructions that are significantly conflicting with those prepared by the Company's management; (iii) performs any act that causes significant damage to the hygiene and safety of the workplace; (iv) has recurred in conduct sanctioned with the disciplinary measure of suspension from work and from remuneration, will incur the **DISMISSAL FOR JUSTIFIED REASON (SIGNIFICANT FAILURE TO FULFILL THE CONTRACTUAL DUTIES OF THE EMPLOYEE)**;
- the non-executive Employee who: (i) commits a serious Violation referred to in letter a) of paragraph 4.1; (ii) performs, in relation to the implementation of the Model, actions so serious as to undermine the trust on which the employment relationship is based and not to allow the continuation, even temporary, of the relationship itself; (iii) holds behaviours characterised by very serious negligence, inexperience or imprudence or wilfully and deliberately aimed at committing a Violation referred to in paragraph 4.1; (iv) holds behaviours that deliberately

does not comply with the provisions contained in the Model and that are so serious as to constitute a crime pursuant to the law and to cause, even if only potentially, moral or material harm to the Company; (v) commits a particularly serious recidivism in conduct sanctioned with the disciplinary measure of suspension from work and from remuneration, will incur the **DISMISSAL FOR JUST CAUSE (WITHOUT NOTICE)**.

When required by the nature of the Violation and by the method relating to its commission or by the need for investigations consequent to the same, the Company - pending the resolution of the definitive disciplinary measure - can order the temporary removal of the worker from the service for the period strictly necessary.

In the event of Violations referred to in letters d), e) and f) of the previous paragraph 4.1, one of the sanctions indicated above will be applied according to the seriousness of the violation.

5.3.3 Sanctions against Executives

In cases of violation, by Executives, of the rules of the Model as well as of the Code of Ethics and of the internal regulatory body, the sanctions will be assessed according to the principles of this Disciplinary System and, considering the relationship of trust that binds Executives to AV, also in compliance with the principles expressed by the National Collective Labour Agreement and by the regulatory system.

In fact, due to the greater degree of diligence and professionalism required by the position held, personnel with the title of "Executive" can be sanctioned with a more serious measure than an Employee with other qualifications for the commission of the same Violation.

In assessing the seriousness of the Violation committed by personnel with the title of "Executive", AV considers the powers, the technical and professional skills of the interested party, with reference to the operational area in which the Violation occurred, as well as the possible involvement in the Violation, even only on the level of mere knowledge of the facts charged, of personnel with lower qualifications.

If the Violation irreparably and seriously damages the relationship of trust that must necessarily exist between the Executive and the Employer, the sanction is identified in dismissal for just cause, pursuant to art. 2119 of the Civil Code.

5.3.4 Sanctions against Directors

If the Violation is committed by one or more members of the Board of Directors, the Supervisory Body, which must be immediately informed, is always required to promptly transmit the news to the entire Board of Directors.

The Board of Directors, with the abstention of the subject/s involved, proceeds with the necessary investigations and takes the appropriate measures, which may also consist in the precautionary revocation of the delegated powers as well as in the convening of the Shareholders' Meeting in order to arrange for any replacement.

If the absence of the subjects involved in the Violation makes it impossible to adopt the decision with the majority of the members of the BoD, the Chairman of the Board of Directors convenes the Shareholders' Meeting to decide on the possible revocation of the mandate. For the hypothesis that

one of the Directors involved coincides with the Chairman of the Board of Directors himself, the law provisions regarding the urgent convocation of the Shareholders' Meeting shall apply. In any case, the rules on convening the Shareholders' Meeting within joint-stock companies are reserved.

5.3.5 Sanctions against Collaborators, Consultants and Suppliers

The Violation committed by the Consultants, Collaborators and Suppliers constitutes a significant breach also for the purposes of terminating the existing contract between them and the Company, according to the signed clauses referred to in the following chapter 5.

In the context of all types of contracts in question, the commission of a Violation involves the adoption of contractual remedies.

In particular, in the case of commission of a Violation referred to in the previous paragraph 4.1, by Collaborators, Consultants and Suppliers, AV will be entitled, according to the different contractual types adopted and/or the different state of execution of the obligations deriving from the contract, (a) to withdraw from the relationship, in the event that the contract has not yet been executed, or (b) to terminate the contract pursuant to article 1456 of the Civil Code, in the event that the execution of the contract has started.

Collaborators, Consultants and Suppliers can access and consult the Vender Group Code of Ethics and an extract of the Model on the AV website.

Furthermore, in all contracts the counterparty must undertake to compensate, indemnify and hold harmless AV from any cost, expense, loss, liability or charge, where it is demonstrated that they would not have occurred if the statements and guarantees issued by the counterparty contained in the contract had been true, complete, correct and accurate and the commitments described above had been duly respected.

6 Dissemination of the Model and contractual clauses

6.1 Information and training of personnel and members of statutory bodies

Acciai Vender, in order to effectively implement the Model, ensures the internal and external disclosure of its contents and of the behavioural rules contained therein, with different degrees of detail based on the different level of involvement of recipients in risk activities.

The Supervisory Body conducts the supervision on the information and training system in collaboration with the Managers of the business Structures involved in the application of the Model.

In relation to the communication of the Model, AV undertakes to disseminate it on the Company intranet to all Employees and members of the statutory bodies.

The Supervisory Body documents the training and periodic communication activities to the Company personnel and to the members of the statutory bodies.

In fact, in order to guarantee effective implementation of the Model, AV promotes and facilitates knowledge of its contents, also through specific training activities, modulated with a different degree of detail according to the levels of recipients and the degree of involvement in the relevant activities.

The training activities concern at least:

- the summary of the reference legislation and the key concepts of Legislative Decree no. 231/2001;
- the regulatory changes introduced in the Decree and the jurisprudential evolutions about the administrative liability of the entity;
- the structure and content of Model 231;
- the analysis of the protocols and principles adopted to manage the risk of committing the predicate crimes;
- the illustration of exemplifying and non-exhaustive methods of committing the relevant crimes;
- the summary of the anti-corruption measures.

From a risk-based perspective, training courses are delivered in e-learning and/or in face-to-face mode, also via audio-video conferencing connections, favouring face-to-face training for the professional profiles and/or organizational structures most exposed to risk areas identified.

Training activities are promoted at least every two years as well as following updates to Model 231 and participation to them is mandatory for all recipients (members of statutory bodies, employees, and all those who work in the interest and on behalf of AV).

The effectiveness of the training activities is ensured delivering intermediate and/or final tests aimed at verifying the level of learning.

The Supervisory Body supervises and monitors the effective participation in training by the recipients.

6.1 Declaration pursuant to Legislative Decree no. 231/2001 of members of statutory bodies and Employees

Each member of the statutory bodies and each Employee is required to declare:

- to have read and fully understand the principles laid down in the Vender Group Code of Ethics and in the Model;
- to undertake not to engage in any behaviour aimed at inducing and/or obliging to violate the principles specified in the Vender Group Code of Ethics and in the Model:
 - a) people acting as representatives, directors or managers of the Company;
 - b) people under the direction or supervision of one of the one of the subjects referred to in the previous point;
 - c) external collaborators of AV.

A copy of the General Section and the Special Section of the Model and of the Code of Ethics will be provide to the new members of the statutory bodies and to the new Employees.

6.2 External information - Contractual clauses 231

The communication of the contents of the Model is also addressed to those third parties who maintain contractual relationships with AV, but are not employees, nor members of statutory bodies. These include, by way of example, those who work continuously in favour of AV without any subordination ("Collaborators"), those acting in the name and/or on behalf of AV pursuant to a mandate contract or other contractual relationship relating to a professional service ("Consultants") and the contractual counterparties linked to the Company by some form of collaboration.

These subjects are guaranteed the possibility of accessing and consulting the Vender Group Code of Ethics and an extract of the Model on the AV website. Furthermore, when is established a new relationship, the same subjects are required to declare:

- to have read and fully understand the principles laid down in the Vender Group Code of Ethics and in the Model;
- to undertake not to engage in any behaviour aimed at inducing and/or obliging to violate the principles specified in the Vender Group Code of Ethics and in the Model:
 - a) people acting as representatives, directors or managers of the Company;
 - b) people under the direction or supervision of one of the one of the subjects referred to in the previous point;
 - c) external collaborators of AV.

For contracts entered with parties falling within the scope of Legislative Decree no. 231/2001, in order to adequately assess the associated reputational and credit risks, AV requires the counterparty to declare:

- the adoption, within its corporate structure, of the precautions necessary to prevent the offences envisaged by Legislative Decree no. 231/2001;
- the possible pendency, if known, of proceedings for the ascertainment of administrative liability pursuant to Legislative Decree no. 231/2001;
- the possible existence of final convictions for the offences referred to in Legislative Decree no. 231/2001, including the sentence applying the penalty upon request pursuant to art. 444 of the Code of Criminal Procedure;
- the submission to the precautionary measures envisaged by Legislative Decree no. 231/2001.

Furthermore, for these contracts, the Company requires the counterparty's commitment, for their entire duration, to:

- maintain within its structure the precautions necessary to prevent the offences envisaged by Legislative Decree no. 231/2001;
- communicate any new proceeding, if known, pending against it for the ascertainment of administrative liability pursuant to Legislative Decree no. 231/2001;
- communicate any new final convictions for the offences referred to in Legislative Decree no. 231/2001, including the sentence applying the penalty upon request pursuant to art. 444 of the Code of Criminal Procedure;
- communicate any new precautionary measures envisaged by Legislative Decree no. 231/2001.

The adoption of contractual remedies is envisaged if:

- after the term of the contract, the declarations made by the counterparty prove to be false, incomplete, incorrect or inaccurate;
- during the contractual relationship, one of the commitments undertaken by the counterparty is not fulfilled;
- following the occurrence of one or more of the above events, the position of the counterparty has worsened in relation to the circumstances disclosed at the time of stipulation of the contract in such a way as to significantly compromise its capacity - including economic capacity - to fulfil the obligations assumed.

6.3 Pending and occurrence of relevant circumstances for the purposes of Legislative Decree no. 231/2001

In the event that, at the time of stipulation, the counterparty declares that it is subject to proceedings for ascertaining liability pursuant to Legislative Decree no. 231/2001 or to precautionary measures provided for by Legislative Decree no. 231/2001 or it has received final convictions pursuant to Legislative Decree no. 231/2001, including the sentence applying the penalty upon request pursuant to art. 444 of the Code of Criminal Procedure, the competent Direction will have to evaluate whether these circumstances preclude the stipulation of the contract, considering, among other things, the need to protect the Company's reputation. The same caution must be adopted if these circumstances arise while the contractual relationship is pending.

The assessment will take into account the need to preserve the reputation of AV from the risks to which it would be exposed as a result of the involvement of one of its counterparts in a proceeding to ascertain liability pursuant to Legislative Decree no. 231/2001, as well as the risk that the counterparty, affected by a pecuniary or interdictory penalties, even as a precautionary measure, sees its ability - including economic - to fulfil its contractual obligations significantly compromised.

If the competent Direction deems that, despite the pending of these circumstances at the time of stipulation of the contract, the Company's reputation is protected (in consideration, for example, of the foreseeable positive conclusion of an ongoing proceeding, or of the adequate ability of the counterparty to meet the obligations undertaken, albeit in anticipation of pecuniary or interdictory penalties) must inform the Supervisory Body, citing the reasons justifying the proposed decision.

Any definitive assessment regarding the protection of AV from the risks considered above is left to the corporate body competent to decide on the contract.

7 Rules for updating the Model

The Board of Directors decides on the substantial amendments and additions to the Model. Substantial updates include, but are not limited to:

- significant changes to the General Section of the Model;
- the inclusion in the Special Section of specific parts relating to offences which, because of other regulations, acquire relevance for the purposes of regulation of administrative liability pursuant to the Decree;
- the suppression of some parts of the Model;
- updating of the Model following a significant reorganization of the corporate structure and/or of the corporate governance model.

The Supervisory Body:

- is previously consulted for any necessary changes of the Model;
- addresses all Model's updating proposals to the Chairman of the Board of Directors/Managing Directors.

When the changes are approved, they are communicated to the Supervisory Body and to the competent corporate structures, which are responsible for adopting any consequent measures in order to make the procedures and control systems consistent with the changes made.