



METALLURGICA SAN MARCO S.p.A.

**ORGANISATION, MANAGEMENT AND
CONTROL MODEL**

**PURSUANT TO LEGISLATIVE DECREE
231/2001**

CODE OF ETHICS

ORGANISATION, MANAGEMENT AND CONTROL MODEL**C O D E O F E T H I C S****LIST OF REVISIONS**

REV.	DATE	NATURE OF THE AMENDMENTS	APPROVAL
01		Adoption	Board of Directors

Metallurgica San Marco has been operating in the brass bar market since 1972, placing at the centre of its corporate objectives a continuous growth of production, organisation and systems, as well as respect for its workers from the point of view of safety and wellbeing, with an essential focus on environmental protection.

We believe that in a mature market such as the brass bar market, where customers, processes and machinery are mostly known and consolidated, a market leadership strategy can only work if it is the result of an accurate mix that comprises modern and high-performance systems, a range of products, material availability and excellent organisation, to then achieve final success through the close relationship with customers and suppliers.

These are the cornerstones of our organisation and commitment in which we strongly believe. We are certain that staff trained, motivated and stimulated by open relationships between individuals and functions is the winning key.

A company that transmits the culture of work and doing well while fully respecting the safety of people and the environment.

In this spirit, well aware of the legislative importance of adopting an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, we have decided to adopt this system of internal control and organisation following the same perspective that led us to adopt other Management Systems (Quality, Safety and Environment), which we considered as an opportunity to assess our legislative or regulatory compliance, especially in order to prepare a continuous improvement plan that can become an added value for the company.

However, the model of Legislative Decree 231/2001 is not meant to provide a mere formal compliance for commercial or defensive purposes but is an effective tool for the company to transmit transparency, to adopt good practices and to disseminate a corporate culture.

From an organisational point of view, the identification of areas of risk and of control principles and procedures, the adoption of a document that regulates conduct (adoption of a code of ethics), and the establishment of a Supervisory Body related to a Disciplinary and Sanctioning System have allowed the compliance of the Management Model with the law.

The commitment of the Management to the scrupulous implementation of the model in all daily activities, under the continuous supervision of the Supervisory Body will allow the model itself to become an integral part of every good practice and activity of the company itself, becoming an integral part of the culture of every worker in all the activities of the company.

*The President
Marco Gambarini*

INDEX

1. Introduction..... 6

2. recipients and structure of the code of ethics..... 7

3. GENERAL PRINCIPLES AND REFERENCE VALUES..... 8

 3.1 LEGALITY..... 8

 3.2 RESPECT FOR THE DIGNITY OF INDIVIDUALS..... 8

 3.3 HONESTY AND FAIRNESS..... 8

 3.4 TRANSPARENCY IN THE CONDUCT OF BUSINESS AND PROTECTION OF SHAREHOLDERS..... 8

 3.5 QUALITY OF PRODUCTS..... 9

 3.6 EFFECTIVENESS AND EFFICIENCY..... 9

 3.7 PROTECTION OF COMPETITION..... 9

 3.8 PROTECTION OF HEALTH AND SAFETY..... 9

 3.9 PROTECTION OF THE ENVIRONMENT..... 10

4. RULES OF CONDUCT..... 11

 4.1 RELATIONS WITH CORPORATE BODIES..... 11

 4.2 MANAGEMENT OF HUMAN RESOURCES..... 11

 Enhancement of human resources..... 11

 4.3 DUTIES OF THE STAFF (employees and associates)..... 12

 Compliance with regulations on health and safety at work..... 12

 Use of company assets..... 13

 Management of conflicts of interest..... 13

 Treatment of confidential information..... 13

 4.4 RELATIONS WITH CUSTOMERS AND SUPPLIERS..... 13

 Relations with Customers..... 13

 Relations with suppliers..... 14

 4.5 RELATIONS WITH THE PUBLIC ADMINISTRATION..... 14

 Relations with public officials or persons in charge of a public service..... 14

ORGANISATION, MANAGEMENT AND CONTROL MODEL

C O D E O F E T H I C S

5. METHODS OF IMPLEMENTATION OF THE CODE OF ETHICS.....16

5.1 INFORMATION AND TRAINING.....16

5.2 Supervisory body (SB).....16

5.3 REPORTING BY THE PARTIES CONCERNED.....17

5.4 VIOLATIONS AND PENALTIES.....17

1. INTRODUCTION

This Code of Ethics is an integral part of the Organisation, Management and Control Model drawn up pursuant to Legislative Decree 231/2001, which sets out the rules governing the administrative liability of legal entities.

The Code of Ethics prescribes the principles and rules of conduct that will be considered binding for its Recipients. The Code of Ethics is approved by the Company's Board of Directors together with the adoption of the Organisation, Management and Control Model.

The Supervisory Body (SB) appointed by the Board of Directors pursuant to Legislative Decree 231/01 is responsible for verifying the state of compliance and implementation of the Code of Ethics.

The Code of Ethics is brought to the attention of all interested parties inside and outside the Company through specific information and training activities.

2. RECIPIENTS AND STRUCTURE OF THE CODE OF ETHICS

The provisions and principles illustrated in the Code of Ethics shall apply to the following Recipients:

- shareholders, directors and statutory auditors;
- employees with any type of contractual relationship;
- third parties who have, for any reason, relationships with Metallurgica San Marco, such as external collaborators, agents, consultants, suppliers, commercial partners, etc..

Third parties are therefore obliged, by means of specific contractual agreements, to comply with the provisions contained in the Code of Ethics, within the limits of their own powers and responsibilities. Metallurgica San Marco encourages the sharing and diffusion of the values and principles contained in the Code of Ethics and requires the recipients to maintain a conduct in line with these principles.

the Code of Ethics can be consulted in electronic form on the company website www.metallurgicasanmarco.it.

The Code of Ethics is structured as follows:

- **GENERAL PRINCIPLES AND REFERENCE VALUES**
- **STANDARDS OF CONDUCT**
- **MODES OF APPLICATION**

3. GENERAL PRINCIPLES AND REFERENCE VALUES

3.1 LEGALITY

The observance of all applicable national and international laws, regulations and company procedures is an essential principle of all Metallurgica San Marco activities. In no case may the pursuit of the Company's interests justify conduct that is not honest and/or does not comply with the reference standards. In pursuing its mission, the Company undertakes to comply with all regulations concerning, for example, health and safety in the workplace, the environment, accounting and corporate regulations, regulations on fair competition, the fight against money laundering and the fight against corruption towards public or private officials, both nationally and internationally.

3.2 RESPECT FOR THE DIGNITY OF INDIVIDUALS

Among its reference values, the Company promotes the respect for the dignity of persons as the basis of internal and external interpersonal relations. The Company prohibits any kind of discrimination based on age, sex, sexual preferences, state of health, race, nationality, political opinions, trade union membership and religious beliefs.

Metallurgica San Marco also ensures working conditions that respect the dignity of its workers and guarantees safe and healthy working environments to protect the health and safety of workers.

3.3 HONESTY AND FAIRNESS

The activities and conduct of the Code of Ethics' recipients who operate within the Company are inspired by honesty, fairness as well as compliance with the laws in force, so the recipients must be aware of the ethical significance of their actions.

Under no circumstances is any dishonest or incorrect conduct justified in order to pursue the interests of the Company.

3.4 TRANSPARENCY IN THE CONDUCT OF BUSINESS AND PROTECTION OF SHAREHOLDERS

The behaviour and actions of Metallurgica San Marco are guided by values of utmost transparency and reliability. The Company undertakes to provide truthful, complete, comprehensible and accurate information either outside or within the organisation.

Information to shareholders and corporate bodies is based on the truthfulness and correctness of information relating to corporate and accounting management.

The Company pursues its corporate purpose in full compliance with the law, the Articles of Association and the company regulations, ensuring the correct functioning of the company bodies and the protection of the patrimonial and shareholding rights of its shareholders, safeguarding the integrity of its assets and of its share capital.

3.5 QUALITY OF PRODUCTS

The Company aims to meet customer expectations by offering high quality products in relation to the technical specifications requested by customers. Organisation, professionalism and "corporate culture" have the objective of realising products with high quality standards.

The Company's quality commitments are also set out in the "Quality Policy" document approved by Management. The Company has a Quality System certified to ISO 9001:2008 standards and also possesses further sector certifications.

3.6 EFFECTIVENESS AND EFFICIENCY

The Company constantly pursues effectiveness and efficiency in processes, particularly in the production area, making informed use of resources in order to contribute to the achievement of corporate objectives. The search for efficiency is subject to the observance of standards and the safety of production activities. The Company continuously invests in the research of innovative and cutting-edge technological solutions able to satisfy legal requirements and pursue effectiveness and efficiency in company performance.

3.7 PROTECTION OF COMPETITION

Metallurgica San Marco believes that a healthy and fair system of competition contributes to the best development of its corporate mission and therefore complies with laws on competition and

refrains from implementing and/or encouraging conduct that could integrate forms of unfair competition.

3.8 PROTECTION OF HEALTH AND SAFETY

Metallurgica San Marco's main objective is to safeguard the health and safety of all those directly or indirectly involved in the work activities; it therefore undertakes to guarantee adequate standards of prevention and to improve safety, health and wellbeing at work over time.

The correct application of current legislation, compliance with the related technical regulations, as well as information and training activities for workers and their involvement, represent for the Company the essential tools for the achievement, maintenance and improvement of working conditions and the environment such as to ensure the protection of the health and safety of workers, associates and third parties present in the company.

The company's commitments in terms of health and safety at the workplace are set out in the document "Health and safety at the workplace policy" approved by management as part of the Safety Management System in accordance with the OHSAS 18001 standard adopted by Metallurgica San Marco.

3.9 PROTECTION OF THE ENVIRONMENT

Metallurgica San Marco is aware of the environmental significance of its production processes and therefore guarantees full compliance with current legislation on environmental protection.

The company pays particular attention to the pursuit of continuous improvement in compliance with environmental laws and regulations, to respect, protect and safeguard the environment by preventing and limiting pollution in all its processes. Metallurgica San Marco is committed to promoting and guaranteeing a high level of environmental awareness among all its staff, both for personal protection and for the environment in general, while maintaining a high level of professional knowledge among its employees. The Company's commitments with regard to environmental protection are set out in the "Environmental Policy" document approved by Management.

4. RULES OF CONDUCT

4.1 RELATIONS WITH CORPORATE BODIES

The corporate bodies, aware of their responsibility, are required to:

- behave with integrity, loyalty and a sense of responsibility towards the Company;
- behave in a manner inspired by autonomy, independence and fairness with public institutions, private individuals, economic associations, political forces, as well as any other national and international operator;
- guarantee assiduous and informed participation in the meetings and activities of the corporate bodies;
- ensure the sharing of the ethical vision and mission of the Company;
- evaluate situations of conflict of interest or incompatibility of functions, offices, refraining from performing operations which raise issues in terms of conflict of interest within the scope of its activity;
- not obstruct the control and/or auditing activities carried out by shareholders and other corporate bodies, including the Supervisory Body;
- make confidential use of the information they become aware of and avoid using their position to obtain direct or indirect personal benefits;
- to comply, to the extent of their competence and responsibility, with the rules of conduct for personnel set out below.

4.2 MANAGEMENT OF HUMAN RESOURCES

Enhancement of human resources

In managing employment relationships, the Company enhances skills, potential and commitment, using clear and consistent assessment criteria. The Company guarantees a working environment in which everyone can collaborate by expressing their professional aptitude, where responsibility manifests itself and shared rules are respected and promoted.

The selection of staff is based on universal criteria, respecting equal opportunities, privacy and the opinions of the candidate. No abuse of authority can be tolerated in work and collaboration

relationships where abuse of authority is to be intended as the request by the hierarchical superior of personal favours and services that go beyond those aimed at achieving business objectives. Metallurgica San Marco encourages and promotes equal opportunities for men and women.

All personnel must be hired under a regular employment contract in accordance with the provisions of the law and personnel are guaranteed the necessary resources to carry out the work assigned in order to achieve the objectives. When hiring staff, comprehensive information is provided on the contract, the regulations, the remuneration in accordance with the National Collective Labour Agreement; moreover, information is also provided on the task to be performed, the risks related to health and safety at work, the procedures to be observed and the rules of conduct to be observed.

4.3 DUTIES OF THE STAFF (employees and associates)

Compliance with regulations on health and safety at work

Metallurgica San Marco guarantees its employees safe and healthy working conditions, the aim being to protect the physical and moral integrity of its workers and associates. To this end, Metallurgica San Marco adopts appropriate management systems aimed at preventing and managing possible situations of risk.

All employees are required to comply with regulations on health and safety at work as well as with environmental protection regulations. As part of their duties and responsibilities, employees participate in the process of assessing and preventing risks and protecting health and safety with regard to themselves, their colleagues and third parties. The health and safety issues encountered at the company headquarters are discussed and shared; this encourages a constructive attitude towards the formulation of concrete operational proposals aimed at improving the prevention of accidents in the company.

The Company, also through the active cooperation of its employees and its external service providers:

- promotes and implements initiatives aimed at minimising risks and removing the causes that may jeopardise the safety and health of persons, excluding any form of exception or derogation from the internal procedures adopted for this purpose;
- adopts a Occupational Health and Safety Management System to prevent, control and reduce the risk of accidents, identifying responsibilities, training people and defining concrete and measurable objectives;
- collaborates with its stakeholders, either internal (e.g. employees) or external (e.g. institutions, supervisory bodies, etc.), to optimise the management of issues relating to the health and safety of workers;
- maintains high safety standards in compliance with current regulations.

Use of company assets

Personnel are required to preserve the integrity of the company's assets through responsible behaviour. Employees are required to comply with the procedures established for the correct use of company assets; it is absolutely forbidden to use them for purposes other than their own in the company's business. Employees, as far as possible and without ever jeopardising their own safety, must work in order to reduce the risk of theft, damage or other threats to the assets and resources assigned, promptly informing the functions in charge in the event of abnormal situations.

Management of conflicts of interest

Employees and associates are required to avoid all activities that may be in conflict of interest with the Company, with particular reference to personal or family interests that could influence independence in carrying out the activities assigned to them in order to achieve the best interest of the Company. These persons are therefore obliged to report situations of conflict of interest, even if only potential, in order to assess their actual presence and define how they should be managed.

Treatment of confidential information

The privacy and confidentiality of information is protected by Metallurgica San Marco in compliance with the relevant legislation (Legislative Decree 196/2003) through regulations and procedures that govern the methods of processing and storing of data and information. All

personnel must be informed of the personal data kept by the company and the measures adopted for their protection.

All information, knowledge and data acquired or processed by employees through their duties belong to the Company and may not be used, communicated or disclosed without the prior and specific authorisation of their hierarchical superior.

4.4 RELATIONS WITH CUSTOMERS AND SUPPLIERS

Relations with Customers

Customer relations are based on availability, clarity, respect and courtesy, and an understanding of each other's needs. The Company believes that customer loyalty and satisfaction are fundamental; to this end, it is committed to offering quality products at competitive conditions. Employees and collaborators are prohibited from giving or promising gifts, presents or benefits to clients that go beyond normal courtesy, so that they cannot be interpreted as a means of obtaining favourable treatment for the Company.

Relations with suppliers

The Company manages relations with its suppliers on the basis of compliance with the values contained in this Code of Ethics. The management of relations with suppliers during the procurement phase is based on the search for quality and cost-effectiveness and the recognition of equal opportunities for each supplier. The company undertakes to develop cooperation relationships with suppliers based on a communication aimed at the mutual exchange of skills and information, which would promote the creation of common value.

When defining contracts with suppliers, employees are required to scrupulously comply with company regulations and procedures and all obligations provided for by current legislation. The selection of suppliers is based on objective evaluations such as quality, professionalism, price and the ability to supply and guarantee goods and services of an adequate level.

Metallurgica San Marco considers the following as reference requirements:

- professionalism and experience of the supplier;
- availability of suitably documented means, including financial ones, organised structures,

planning skills and know-how;

- existence of quality, safety and environmental management systems.

The Company adopts specific procedures to assess, in a transparent and impartial manner, the reliability and skills of each supplier, the appropriateness of its offer and the timeliness of its services.

Personnel are prohibited from giving or promising gifts, presents or benefits to suppliers that go beyond normal courtesy, so that they cannot be interpreted as a means of obtaining favourable treatment for the Company.

Metallurgica San Marco considers it fundamental that suppliers comply with the ethical principles and behaviours indicated in this Code of Ethics and therefore envisages the inclusion of specific termination clauses in their contracts that will be considered immediately applicable in the event of any violation of this Code of Ethics by the suppliers.

4.5 RELATIONS WITH THE PUBLIC ADMINISTRATION

Relations with public officials or persons in charge of a public service

Relations with the Public Administration must comply with the values and provisions contained in this Code of Ethics and in the company procedures and may be maintained exclusively by the company functions in charge thereof.

Personnel are strictly forbidden from offering or promising money or other benefits to members of the Public Administration and their families that may directly or indirectly affect the performance of their duties. In the relations with Public Administration officials, it is forbidden to behave in a collusive manner. Any statements made to the Institutions and to the Public Administration must contain true and complete information that can be documented in order to guarantee the correct evaluation by the Public Administration concerned.

Metallurgica San Marco prohibits any fraudulent conduct aimed at obtaining funds in the form of financing, contributions, subsidies from Public Bodies. Contributions and loans received by Public Bodies are allocated to the intended purposes, respecting the conditions and methods of use

ORGANISATION, MANAGEMENT AND CONTROL MODEL

C O D E O F E T H I C S

provided.

5. METHODS OF IMPLEMENTATION OF THE CODE OF ETHICS

5.1 INFORMATION AND TRAINING

The Code of Ethics is brought to the attention of all interested parties inside and outside the Company through specific information and training activities. To ensure an adequate understanding of the Code of Ethics, Metallurgica San Marco prepares and implements, also on the basis of any indications from the Supervisory Body, a periodic plan for dissemination, information and training activities aimed at promoting knowledge of the principles and rules contained therein.

5.2 Supervisory body (SB)

The Supervisory Body established by the Company and envisaged by Legislative Decree 231/01 has the task of ensuring the implementation of the Code of Ethics. The Supervisory Body is an internal body of the company with autonomous powers to verify and control the implementation of the Code of Ethics and, more generally, the implementation of the Organisation, Management and Control Model, of which the Code of Ethics is an integral part.

The Supervisory Body is assigned the following tasks in relation to the implementation of the Code of Ethics:

- monitor the application of the Code of Ethics by the persons concerned, through the application of specific internal audit plans and accepting any reports provided by the recipients;
- reporting to the Board of Directors any significant violations of the Code of Ethics;
- express opinions on the revision of the most relevant company policies and procedures, in order to ensure their consistency with the Code of Ethics;
- provide, where necessary, for the proposal for periodic review of the Code of Ethics.

Recipients of the Code of Ethics may contact the Supervisory Body to request clarifications, in-depth information or to report possible violations of the Code of Ethics by sending an e-mail to the dedicated e-mail address: odv@metallurgicasanmarco.it.

The Code of Ethics is also binding with regard to third parties, i.e. parties external to the Company that operate, directly or indirectly, for Metallurgica San Marco (by way of example, associates, consultants and suppliers, commercial partners, etc.). Third parties are therefore obliged, by means of specific contractual agreements, to comply with the provisions contained in the Code of Ethics, within the limits of their own powers and responsibilities, as well as with the specific rules and procedures, referred to in the Model, that govern relations with third parties.

Any violations of the Code of Ethics and the Model, where applicable, may result, on the basis of what has been contractually agreed, in the termination of the relationship.

5.3 REPORTING BY THE PARTIES CONCERNED

The addressees of the Code of Ethics are required to comply with the behavioural principles defined in the Code. In the event that the recipients become aware of violations or alleged violations of the Code of Ethics, they are required to report them directly to the Supervisory Body by sending e-mails to the e-mail address specified above.

The Supervisory Body will analyse the report, possibly listening to the author and the person responsible for the alleged violation. The Supervisory Body acts in such a way as to protect the reporting parties against any type of retaliation, understood as an act that may give rise even to the mere suspicion of being a form of discrimination or penalisation. The identity of the reporting party shall also be kept confidential, except as required by law.

5.4 VIOLATIONS AND PENALTIES

Compliance with the rules and principles set out in the Code of Ethics constitutes an essential part of the respective contractual obligations for the recipients. Their infringement therefore compromises the relationship of trust between Metallurgica San Marco and anyone who commits the infringement (directors, company personnel, collaborators, customers and suppliers). Once ascertained, infringements will be promptly prosecuted, through the adoption of disciplinary measures provided for by the specific Disciplinary System which is an integral part of the Organisation, Management and Control Model, in compliance with the regulatory framework in force (Collective Labour Agreement and/or Civil Code) and in an appropriate and proportional

ORGANISATION, MANAGEMENT AND CONTROL MODEL

C O D E O F E T H I C S

manner to the infringement, regardless of the possible criminal relevance of such conduct and the initiation of criminal proceedings.