

**CORPORATE
CODE OF
ETHICS**

**DANIELI & C.
OFFICINE MECCANICHE S.P.A.**
EDITION 2009

DANIELI & C.
OFFICINE MECCANICHE S.P.A.
CODE OF ETHICS
Approved by Resolution of the Board of Directors
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INTRODUCTION

The Code of Ethics of Danieli & C. Officine Meccaniche S.p.A. can be referred to as the Company's "Constitutional Charter", a charter of rights and duties defining each member's social and ethical responsibilities of the corporate structure.

This Code of Ethics has been drawn up to ensure that the ethical values that Danieli & C. Officine Meccaniche S.p.A. is inspired by and in which management believes are clearly defined and are the essential founding element of its corporate culture as well as the standard of conduct for all Employees and Collaborators in performing their duties.

Furthermore, the Code of Ethics specifically aims to encourage and guarantee honesty and loyalty in transactions management and human relations inside and outside the Company, thereby increasing its credibility both at national and international level.

Therefore, the recipients are expected to abide by the values and the principles of the Code of Ethics and are required to safeguard and preserve the respectability and image of Danieli & C. Officine Meccaniche S.p.A., as well as keep the economic and human resources intact.

1. RECIPIENTS OF THE CODE OF ETHICS

1.1 The Code of Ethics is applicable to the Chairman, the Board of Directors, the Chief Executive Officer, the Legal Auditors and all the Employees and Collaborators of Danieli & C. Officine Meccaniche S.p.A. (all the above shall hereinafter be referred to as "COE Recipients"; Danieli & C. Officine Meccaniche SpA shall hereinafter also be referred to as the "Company"; Employees and Collaborators are also collectively referred to as "Staff").

1.2 The COE Recipients must comply with its provisions and make sure they are enforced.

1.3 The application of the Code of Ethics within the Company is in addition to and does not replace the Company regulations in place at the time of its approval by the Board of Directors.

2. GENERAL PRINCIPLES

2.1 Honesty

In carrying out Company business, COE Recipients are obliged to comply with laws and regulations being in force in Italy and in all countries where the Company operates, in addition to complying with the Code of Ethics, the Internal Regulations and Memos, including the principles established through the implementation of preventive, organizational and management measures of the system pursuant to Legislative Decree 231/2001.

The Company shall divulge the contents of this Code of Ethics, Company's Internal Regulations and Internal Memos to COE Recipients.

Under no circumstances shall the pursuit of Company's interests justify a conduct not complying with current regulations.

2.2 Conflict of Interest

2.2.1 "Conflict of Interest" shall mean a situation where a COE Recipient or his/her relative up to the second degree, has got interests differing from and conflicting with those of the Company.

2.2.2 In running its business, the Company shall avoid situations involving subjects who are in conflict of interest, including Company consultants or third parties.

2.2.3 COE Recipients being in a situation of conflict of interest, shall:

- a) promptly inform their hierarchical Superior; and
- b) refrain from becoming involved in a Company process when having a conflict of interest.

2.3 Confidentiality

The Company guarantees that personal data in its possession shall be kept confidential and used in compliance with current rules of law.

2.4 Complete and Transparent Information

In performing their duties for the Company, the COE Recipients shall provide clear, complete, transparent and accurate information, within the limits established in the rules governing obligations of confidentiality in this Code of Ethics. This principle is applicable to external relations with third parties as well as internal relations within the Company. As an example and without limitation, COE Recipients shall collaborate faithfully with the Internal Control Officers and the Legal Auditors (if the latter does not overlap the first).

2.5 Diligence in Contract Performance

The contracts entered into by the Company and the work assigned shall be performed honestly, in good faith and with diligence, as per the agreements reached between the Parties and in compliance with the applicable laws.

2.6 Quality of Service

Customer satisfaction and protection are the Company's core target of. Company policy is characterized by high quality standards and forward-looking technological innovations.

2.7 Protection of Human Resources

The Company considers its Employees and Collaborators as one of the decisive factors in achieving success. It regards the values of merit, fairness and diligence as being of primary importance and uses them to shape its Staff management policies in order to enhance competitiveness.

2.8 Competition

The Company abides by the principles of free competition and does not engage in unfair competition practices.

2.9 Environmental Friendliness and Protection

The Company runs its business in an environment-friendly manner.

The fact that it was awarded ISO 4001 certification attests that it gives proper attention to the environmental practices to be implemented.

3. CONDUCT OF SUBJECTS IN TOP MANAGEMENT POSITIONS AT DANIELI & C. OFFICINE MECCANICHE S.P.A.

3.1 Solely for the purposes of this Code of Ethics, "Subjects in Top Management Positions" refers to the Chairman and the other members of the Board of Directors, the Chief Executive Officer and the members of the Board of Legal Auditors of the Company. This Article is not applicable to executives of Danieli & C. Officine Meccaniche S.p.A who are not explicitly mentioned in this document.

3.2 Subjects in Top Management Positions are aware of their responsibilities and shall:

3.2.1 grasp and implement the principles contained in this Code of Ethics, and in discharging their respective duties, undertake to abide by the values of honesty, loyalty, fairness and integrity in pursuing the goals of the Company;

3.2.2 ensure that Company's results and customer satisfaction are priorities, by adhering to the rules and establishing an open relationship with people and Employees;

3.2.3 in their relations with Employees and Collaborators, promote the value of teamwork in achieving corporate goals.

3.3 The Board of Directors shall particularly undertake to pursue a type of administration that follows criteria of efficiency, competence, legality and social responsibility. Promoting the values that Danieli & C. Officine Meccaniche S.p.A. endorses by applying this Code of Ethics is an integral part of the above-mentioned criteria.

3.4 Directors are obliged to share their strategic-operational goals concerning Company's mission, where several management, coordination, direction and control roles are kept in balance.

3.5 Each Subject in Top Management Position shall be responsible for pointing out any conflicts of interest, incompatibility of functions, responsibilities and positions both outside and inside the Company and shall act accordingly. Moreover, it is the specific duty of the Chairman, the CEO and each Director and Legal Auditor to assess and deal with these

situations carefully and strictly to ensure transparent fruitful relations between the Company and the individuals taking part in the activities, institutions and customers.

3.6 It is essential that the conduct of all Company Boards be characterized by:

- a) strong active awareness of their role;
- b) honesty, integrity and loyalty to the Company;
- c) accountability to the Company.

3.7 Conflicting opinions and critical points shall not be detrimental to responsible management, nor shall they undermine Company's image, credibility and market position.

3.8 In dealing with the media -giving interviews, making statements and public speeches- Subjects in Top Management Positions of the Company shall act in good faith and fairness, being sure they do not damage Company's image and that they do promote and protect its interests.

They shall also comply with the obligation of confidentiality as specified in this Code of Ethics, in regard to any information of which they have knowledge about Company or subjects with whom the Company works.

4. HUMAN RESOURCES

The Company is aware of the fundamental role of human resources in its growth.

Company's human capital is protected by guaranteeing employment conditions and workplace safety standards complying with current regulations.

The Company feels that encouraging the development and professional growth of each human resource's potential is of fundamental importance, with particular emphasis placed on excellence in order to, inter alia, improve skills.

4.1 Commitments of Danieli & C. Officine Meccaniche S.p.A. to its Employees and Collaborators:

- a) comply with applicable legal provisions and applicable National Collective Labor Agreements;
- b) avoid discrimination in the selection, recruitment, training, promotion and remuneration of Employees, which shall be based on knowledge and merit;

c) abide by criteria of merit, competence, dedication and all the other exclusively professional criteria in making any decision concerning the employment relationship with its own Employees and external Collaborators;

d) keep Employees and Collaborators informed on Company's organization and promote Staff training with initiatives geared towards the role of each Employee or Collaborator in the Company, in terms of procedures and contents;

e) invest in Employees and Collaborators' professional growth according to criteria aiming at creating added value for the Company.

4.2 Commitments of Employees and Collaborators to Danieli & C. Officine Meccaniche S.p.A.:

First of all, Employees and Collaborators shall:

a) be fully aware and knowledgeable of the contents of this Code of Ethics;

b) comply with the regulations mentioned in par. 2.1 concerning the general principle of honesty, including legal provisions concerning the workers' duties, applicable National Labor Agreements, internal regulations and Company's guidelines;

then they shall:

c) assume and maintain a highly professional conduct with respect to the Company, for the specific purpose of creating value for the Company;

d) make rational use of the means provided by the Company to work and not for personal purposes;

e) use the means they have been provided with by the Company for the purpose for which they were intended, making sure they are kept in good order by means of ordinary maintenance, and are not damaged;

f) avoid consumption and waste of materials and consumables;

g) in their professional duties, work according to the principles of transparency, fairness, honesty and professionalism both inside and outside the Company;

h) be responsible in their roles and comply with the guidelines given by their Superiors promptly, loyally and faithfully;

i) in cases of seriously conflicting opinions, prepare a short letter explaining why they object to a guideline: if this objection is not accepted, they shall comply with the directive except in cases of clear illegality and conflict with the provisions of this Code of Ethics;

j) comply with the regulations on workplace safety in a conscientious, diligent and professional manner;

k) ensure that their relations with colleagues are founded on principles of civil coexistence, loyal cooperation and constructive collaboration, showing respect and proper discretion in human and professional relations, and avoid discriminatory behaviors and attitudes based on gender, sexual orientation, geographic origin, race, ethnicity, religious or political opinions;

l) promptly report to the Watchdog Committee or an Internal Control Officer any criminal offence which is relevant to Legislative Decree 231/01 as well as any violation of the "Model of Prevention, Organization and Management" adopted by Danieli & C. Officine Meccaniche S.p.A.;

m) report any violations of the law or of this Code of Ethics, occurring within the Company, to the subjects indicated in this Code of Ethics or, if they are not explicitly mentioned, to the subjects listed in Article 9.

4.3 Relations with Corporate Hierarchy

In hierarchical relations, subjects entrusted with the leadership of management units or groups of people (also referred to -in this document- as "Superior/s"), shall perform their management duties in a responsible manner, strengthening the sense of belonging to the Company among Employees. The conduct of each Manager shall conform to the values of the Code of Ethics and shall set an example for his/her Staff. The Superiors are responsible for their Staff performing to the best of their ability and feel that they are actively contributing to the growth of the Company. They shall also be responsible for encouraging the continuous enhancement of knowledge and professionalism.

It is their duty to create a working environment based on transparency and equality, providing all their resources with equal opportunities for growth, encouraging team work and merit. Each Manager shall pay careful attention to and, if possible and appropriate, follow up on suggestions and/or requests made by his/her Employees and Collaborators.

The control system shall contribute to improve the efficiency of Company processes; therefore the common goal of all levels of the organizational structure of the Company must be to work together to make it run efficiently, first and foremost by promptly complying with internal procedures to ease the identification of responsibilities.

5. EXTERNAL RELATIONS

5.1 Relations with Public Officials

5.1.1 For the purposes of this Code of Ethics, Public Officials are: bodies, representatives, proxies, exponents, members, employees, consultants, officials or civil servants, watchdog committees, belonging to public institutions or national and international government agencies or organizations.

5.1.2 Relations with Public Officials shall be based on clarity, transparency and professionalism, recognition of roles and organizational structures, and in all cases, compliance with applicable regulations.

5.1.3 Under no circumstances shall the COE Recipients promise or pay money or other goods or provide other benefits to Public Officials for the purpose of promoting or encouraging Company's interests, not even if they are subject to unlawful pressure to do so.

This Article is also applicable if money or other benefits are promised or given to a Public Official for the purpose of persuading him/her to perform an action that is part of the duties of his/her office.

5.1.4 Gifts can be given to customers or other people in full compliance with the law and provided that this is a customary or appropriate occurrence (for example, Christmas gifts), not exceeding a value of 50 Euros.

5.1.5 If undue pressure is put on a COE Recipient Ethics by Public Officials for the purpose of carrying out the actions described in Article 5.1.3, the recipient is obliged to make a detailed report to his/her Superior, who shall inform the Watchdog Committee and an Internal Control official.

5.2 Relations with Customers

5.2.1 Danieli & C. Officine Meccaniche S.p.A. feels that satisfying the legitimate expectations of customers is a primary objective to be pursued by providing them with quality services

at competitive conditions, in accordance with the regulations on competition.

5.2.2 Danieli & C. Officine Meccaniche S.p.A. shall ensure that its Staff apply internal procedures in their relations with customers for the purpose of obtaining and maintaining fair and long-lasting relationships.

5.2.3 As regards customer relations during both the preparation and negotiation of the proposal and the performance of the contract signed with the customer, Company Staff shall:

- a) pursue Company's interests in a diligent and professional manner, operating in compliance with current regulations;
- b) adopt a transparent conduct based on efficiency and courtesy;
- c) give the customer accurate truthful information;
- d) comply with and make sure the customer complies with obligations, deadlines and commitments undertaken by each party under the contract.

5.2.4 All Company Staff are explicitly prohibited from accepting money, gifts or special treatment from customers for the purpose of inducing or which could induce them to violate this Code of Ethics; each Employee and Collaborator has the obligation to inform his/her Superior of any offer he/she has received in this respect. The Superior shall then promptly report the information to the Internal Control official.

5.2.5 The Superior shall report without delay to the Human Resources Department or to an Internal Control official, any violation of this article of which he/she is aware.

5.3 Relations with Suppliers

5.3.1 The Company recognizes the fundamental importance of the role of suppliers in Company's growth.

5.3.2 The Company selects its suppliers based on considerations of quality, cost, punctuality and level of services provided. The Company shall make sure its Staff selects Suppliers according to internal procedures that are designed to ensure the selection of the supplier that offers the best services, according to the characteristics indicated in this article. These procedures guarantee that stable long-lasting relations are created on the basis of transparency and fairness.

5.3.3 As regards relations with suppliers, in terms of selection and contract management with the supplier, the Company Staff shall:

- a) pursue Company's goals in a diligent and professional manner, operating in compliance with current regulations;
- b) adopt a transparent conduct based on efficiency and courtesy;
- c) provide accurate truthful information so that the suppliers can perform their obligations in a competitive manner;
- d) comply with and make sure the supplier complies with obligations, deadlines and commitments assumed by each party under the contract, which shall be managed in a pragmatic manner.

5.3.4 All Staff of Danieli & C. Officine Meccaniche S.p.A. are explicitly prohibited from accepting compensation, gifts or special treatment from suppliers for the purpose of inducing or which could induce them to violate this Code of Ethics; each Employee and Collaborator has the obligation to inform his/her Superior of any offer he/she has received in this respect. The Superior shall then promptly report the information to an Internal Control official.

5.3.5 The Superior shall report without delay to the Human Resources Department or an Internal Control official any violation of this article of which he/she is aware.

5.4 Relations with Consortium Partners

In relations with consortium and joint venture partners the same principles as those herein set forth for relations with suppliers are applicable.

5.5 Relations with Representatives of Political Parties and Interest Groups

5.5.1 "Representatives of Political Parties" means persons holding institutional positions or offices within political parties and movements.

5.5.2 "Representatives of Interest Groups" means persons holding institutional positions or offices within trade associations, trade unions, environmental groups, etc.

5.5.3 Financing of Political Parties is only allowed following a resolution of the Board of Directors in this respect and, however, within the limits and in the manner set forth in current regulations.

5.5.4 The Company cannot finance or fund trade unions.

5.5.5 Strictly institutional forms of collaboration are possible for the purpose of contributing to events or activities such as studies, research, conventions, seminars.

5.5.6 Donations to charitable initiatives, including community relationships, can be made in accordance with applicable regulations and the criteria of transparency and fairness; if they do not come under the pre-established competences of Company functions, they must be approved by the Board of Directors.

6. CONFIDENTIALITY

6.1 Confidential Information

6.1.1 Information concerning the Company such as knowledge of a project, proposals, negotiations, corporate development strategies, events, including future and uncertain ones, pursuant to Company's business, in addition to all the information regarding Company Staff (the information concerning the Company and the information concerning the Company Staff is hereinafter referred to as "Confidential Information"), is confidential.

6.1.2 The Recipients of the Code shall:

- a) refrain from divulging Confidential Information unless strictly necessary in the performance of their duties for the Company, it being understood that the obligations of confidentiality shall be enforceable even after the employment relationship ceases;
- b) only consult the documentation for which they have authorization and use it in keeping with their professional duties, allowing only authorized persons to see it;
- c) comply with the applicable laws.

The following news and information are not considered to be Confidential Information:

- i) those that are in the public domain such as institutional information and information from published financial statements; provided that accounting and financial statement data are considered to be "Confidential Information" until

they are made public following instructions from the competent Subjects in Top Management Positions; notwithstanding the above, the COE Recipient who accidentally or intentionally makes Confidential Information public shall be accountable to the Company according to this Code of Ethics;

ii) information whose dissemination is allowed or imposed by law;

iii) information whose dissemination has been authorized by the Board of Directors or the Chairman.

6.1.3 Information concerning third parties whose contacts with the Company occur in the form of negotiations, correspondence, business deals and other Company activities, is Confidential Information subject to the provisions of article 6.1.2, and therefore cannot be divulged, except in the circumstances mentioned in items "i)", "ii)", "iii)" of article 6.1.2, or in the event that the concerned third party has given his/her legal consent in writing to divulging confidential information relating to him/her; for example, a third party could consent to quoting project data, including the customer's name, in a specific clause of the contract.

6.1.4 Without prejudice to the above:

- a) COE Recipients shall comply with the provisions of law concerning insider trading and stock manipulation and the applicable regulations on market abuse, in a diligent and professional manner;
- b) disclosing Confidential Information to third parties for the purpose of assisting them in stock exchange transactions is not allowed.

6.2 Protection of Privacy

Danieli & C. Officine Meccaniche S.p.A. guarantees the protection of personal data of each Employee and Collaborator. Company Employees shall only provide personal information required as per applicable regulations.

6.3 Duration of Obligations of Confidentiality

The obligations of confidentiality specified in this Code of Ethics shall also be enforceable once the professional relationship with the Company has ceased.

7. PROTECTION OF THE ENVIRONMENT AND WORKPLACE SAFETY

7.1 In running its business, Danieli & C. Officine Meccaniche S.p.A pursues excellence in protecting the Environment and the Safety of its Staff and third parties.

In order to reach this goal, Danieli & C. Officine Meccaniche S.p.A.:

- a) shall undertake to comply with the applicable provisions in the fields of Safety and Environment;
- b) shall establish and divulge the guidelines that the Company must follow to ensure safety and environmental protection;
- c) shall encourage its Employees to participate in risk prevention, environmental protection and healthy and safe working practices for themselves, their colleagues and third parties.

7.2 To implement its Environmental and Workplace Safety policy, the Company shall:

- a) adopt suitable internal control measures aimed at the protection of the environment and the prevention of accidents in the workplace and occupational diseases;
- b) ensure its Staff is suitably trained and aware of the above-mentioned issues;
- c) among the criteria for the selection of Suppliers, place significant importance on whether or not a Supplier is certified in the fields of Safety and Environment.

8. OBLIGATORY NATURE OF THE CODE AND SANCTIONS

8.1 Complying with the provisions of the Code of Ethics is an essential part of the contractual obligations of Employees pursuant to and in accordance with articles 2104, 2105 and 2106 of the Italian Civil Code.

8.2 Collaboration agreements include the obligation to comply with this Code of Ethics.

8.3 The violation of the provisions of the Code of Ethics by Staff may be construed to be a material breach of the main obligations of the employment or collaboration relationship or disciplinary offense according to the procedures established in

art. 7 of the Italian Law no. 300 of 1970 “Statuto dei Lavoratori” (if and when applicable), entailing legal consequences, even with respect to maintaining the employment or collaboration relationship, and could also lead to claims for compensation of damages.

9. COMPANY MANAGEMENT BOARDS

9.1 The Director of Human Resources Department shall divulge the Code of Ethics and the principles therein contained by placing it on the Company's Intranet system and web site and by handing out a hard copy of the Code of Ethics to each new employee.

9.2 The contents of the Code of Ethics shall also be divulged, when appropriate, to subjects with whom the Company has external relations.

9.3 The COE Recipients who learn of any violations of the provisions thereof shall duly report them to one of the following subjects:

- a) their direct Superior, who shall promptly inform the subjects indicated in items b), c) and d), or
- b) the Director of the Human Resources Department, or
- c) an Internal Control Officer, or
- d) the Watchdog Committee.

9.4 The Director of the Human Resources Department is entitled to make sure the provisions of the Code of Ethics are being observed within the Company and is responsible for verifying the truthfulness of the violations reported by the COE Recipients. In this task he/she is assisted by the Internal Control Officers and the Internal Auditors (if they do not overlap the Internal Control Officers).

9.5 The Internal Control and Internal Audit Officers (if they do not overlap the Internal Control Officers):

- a) can directly receive reports of violations of the Code of Ethics;
- b) upon receiving reports of violations of the Code of Ethics, shall verify the report or forward it to the Director of the Human Resources Department, who can work together with them;

c) regardless of the outcome of this assessment, the Internal Control and Internal Audit Officers (if they do not overlap the Internal Control Officers) shall promptly inform the Director of the Human Resources Department, handing over any significant information they have gathered.

9.6 The Watchdog Committee:

a) can directly receive reports of violations of the Code of Ethics and of the Prevention and Management Model adopted by Danieli & C. Officine Meccaniche S.p.A.;

b) upon receiving reports of violations of the Code of Ethics, shall verify the report or forward it to the Director of Human Resources Department;

c) regardless of the outcome of the verification in item “b)”, the Watchdog Committee shall promptly inform the Director of Human Resources Department, handing over any significant information they have gathered;

9.7 The Director of the Human Resources Department is responsible for implementing the necessary sanctions in compliance with the applicable legal provisions and the applicable National Collective Labor Agreements.

9.8 Without prejudice to the foregoing, all the COE Recipients are under obligation to promptly inform the Watchdog Committee of any crime pursuant to Legislative Decree 231/01, as well as any violation of the Prevention, Organization and Management Model adopted by Danieli & C. Officine Meccaniche S.p.A., which comes to their attention while they are employed with the Company.

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