

CODE OF ETHICS AND CONDUCT

Code of Ethics and Conduct, rev.1 / 2017.

Approved and adopted by the Board of Directors with resolution of 24/07/2017.

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1 FOREWORD

This document outlines FRIULSIDER's Code of Ethics, Organisational and Management Model, rev. 1/2017, approved and adopted by the Board of Directors with resolution of 24/07/2017.

The Ethical Code is the collection of essential values and principles which FRIULSIDER is inspired by in the activities it carries out itself and in its internal and external relationships; the general principles and rules of conduct recognised as of positive moral value are laid out in the Code.

The Ethical Code expresses FRIULSIDER's willingness to take on ethical commitments and responsibilities in conducting its affairs and company activities at every level, while respecting the legitimate interests of shareholders, workers, clients, commercial partners and communities with an interest in its activities, in order to prevent illegal and irresponsible behaviours and in a context of legality, propriety, transparency, confidentiality and respect for human dignity.

FRIULSIDER engages to reconcile the search for competition and competitiveness on the market with respect for the law and to promote a correct and responsible use of resources, for the purposes of social responsibility and environmental safeguarding; FRIULSIDER asks all its workers and collaborators, at every level and every place in the framework, to respect the Ethical Code, so that the company can pursue its goals in a way which is compatible and synergistic with respect for the law.

The Ethical Code has the aim of directing the Company's actions and its provisions therefore bind the behaviour of administrators, managers, workers, representatives, agents, consultants and anyone who, in any capacity, establishes a relationship of collaboration with the Company.

The principles laid out in this ethical code are relevant to the aims of preventing crimes under the terms of Legislative Decree 231/2001 and constitute an essential preventative element; the Ethical Code inspires and supports the Organisational, Management and Control Model, adopted and implemented under the terms of Decree 231/01 (MOG), and encompasses in the broadest way the role and relationships of FRIULSIDER, its workers, collaborators and partners, indicating behavioural guidelines as an expression of the company's culture.

The Ethical Code has been widely publicised within the Company, where it has been displayed in a place which everyone can access; it has been published on and is downloadable from the company website; and it is made available to all the company's spokespeople.

1.1 OBJECTIVE

This Ethical Code has been devised to ensure that FRIULSIDER's values are clearly defined and constitute the basis for company policy and the conduction of business, as well as the standard of behaviour for everyone who collaborates in the company's activities and affairs.

The Ethical Code is an expression of the collection of rights, duties and responsibilities the Company has towards stakeholders; and aims to recommend, promote or ban specific behaviours which do not comply.

In fact, everyone whom the company asks to contribute, in whatever capacity, towards achieving its mission, or everyone who, in whatever capacity, comes into contract with the company and has an interest in the pursuit of that mission, is a stakeholder.

FRIULSIDER's shareholders; administrators; workers and collaborators, including the agents who represent the Company to third parties; its clients, suppliers and business partners; its funders, by which we mean the joint-stock banks and other financial institutions; the public administration; work council representatives; associations in general; and the environment: are all stakeholders. In a wider sense, all individuals and groups whose interests are influenced directly or indirectly by the Company's activities are stakeholders.

FRIULSIDER commits to respecting and making respected its Ethical Code in its relationships with all these stakeholders.

1.2 THE VALUE OF REPUTATION AND COMPANY CREDIBILITY

Reputation and credibility constitute essential non-material resources, in as much as they facilitate investments, relationships with institutions, client loyalty, human resource development and relationships with suppliers.

Wherever any company activity is carried out, behaviours which do not comply with the Ethical Code compromise the relationship of trust between the Company and its stakeholders and facilitate the emergence of behaviours towards FRIULSIDER that are hostile and lack transparency.

1.3 SHARING THE PROJECT

FRIULSIDER shares its ethical values with its stakeholders, with the aim of pursuing the company's objective in a relationship of trust and reciprocity with stakeholders, that is with the categories of individuals, groups or institutions that are its natural interlocutors as its activities are carried out.

FRIULSIDER's activity is oriented towards maximum co-operation, so that respect for the legitimate interests of stakeholders can be coherently combined with its mission.

The co-operation between these stakeholders and FRIULSIDER is an essential part of conducting its business ethically: for that reason, behaviours which do not comply, or are implemented with disregard for company values, compromise the relationship of trust between FRIULSIDER and its stakeholders.

The Ethical Code is therefore designed to be shared, with a view to pursuing the legitimate aims of the individual parties involved.

1.4 STRUCTURE AND AREA OF APPLICATION OF THE ETHICAL CODE

The Ethical Code consists:

- Of general ethical principles which identify benchmarks for company activities;
- Of standards of conduct, which the Ethical Code asks everyone it addresses to adhere to;
- Of the system for testing its adequacy and that it is being correctly implemented.

Those bound to adhere to the Ethical Code are defined as "Addressees". They are:

- FRIULSIDER's administrators, who must make all their decisions and actions conform with respect for the Ethical Code, spread awareness of it, nurture an environment where it is shared by workers and third parties who operate on behalf of FRIULSIDER, and make their own behaviour a model of reference for staff;
- Workers, who are bound to act with respect for the Ethical Code and to notify the Monitoring Committee of eventual breaches;

- Consultants, and suppliers of goods and services, who are opportunely informed of the rules of conduct contained in the Ethical Code and that for the entire length of their contractual relationship with FRIULSIDER, their own behaviour must conform to it.

As far as the relationship with workers is concerned, observing the rules of the Ethical Code must be considered an essential part of their contractual obligations, pursuant to and in accordance with articles 2104, 2105 and 2106 of the Civil Code; serious or persistent violation of the rules of this Ethical Code infringes the relationship of trust established with the company and can lead to disciplinary actions and the recovery of costs, without prejudice to the guarantees included in collective labour contracts and in article 7 of Law 300/1970 (Workers' Charter).

In business relationships, FRIULSIDER will be obliged to inform partners of the rules of conduct organised in this Ethical Code, referring back to them in the contracts agreed on every occasion with its clients and suppliers: these contracts must conform to the Ethical Code if they are not to fall foul of consequences established by the contracts themselves (termination of the contract, unilateral withdrawal etc.).

The ethical principles which will be articulated in this Ethical Code are relevant to the aims of crime prevention specified by Legislative Decree 231/2001 and constitute an essential element in the internal control system for preventing crimes. This Ethical Code comes into operation when the Organisational, Management and Control Model is adopted.

1.5 UPDATES TO THE ETHICAL CODE

With the Board of Directors' approval, the Ethical Code can be modified and added to, based also on suggestions and indications from the Monitoring Committee.

2 FRIULSIDER'S VALUES

The Ethical Code represents a collection of principles and guidelines which it is of fundamental importance to observe with the aims of achieving the company's objectives, legally carrying out its activities, managing it in a trustworthy way and preserving FRIULSIDER's image; activities,

behaviours and relationships both within and outside the Company must be inspired by these principles and guidelines.

FRIULSIDER therefore commits to constantly maintaining the standards of excellence it has reached, ensuring maximum transparency in its activities and guaranteeing the result.

2.1. RESPONSABILITY

In carrying out the company's mission the behaviours of all this Ethical Code's addressees are inspired by the principle of responsibility.

The company has respect for the law and also for the regulations in force; the Ethical Code's recipients are bound to respect the regulations; in that sense, the Ethical Code adds to rather than replaces the regulations in force.

In no case is pursuing or achieving FRIULSIDER's aims in violation of the regulations permitted.

2.2. TRANSPARENCY

The principle of transparency is based on truthfulness, accuracy, thoroughness and information sharing both inside and outside the company.

2.3. PROPRIETY

The principle of propriety entails respect for the rights of all those who are involved in working and professional activities, in particular the rights to freedom, health, and personal safety and dignity, also in terms of privacy, equal opportunities and the right to work in an honest and respectful environment; it also dictates the elimination of any kind of discrimination and of any possible conflict between the Company and its workers.

Relationships with the outside world, relationships with the Company's own collaborators and relationships between those collaborators are characterised by maximum loyalty and a sense of responsibility, in valuing and safeguarding the company heritage and the working environment.

FRIULSIDER engages therefore to act in a fair and impartial way, adopting the same behaviour towards all stakeholders it comes into contact with, even though the Company must necessarily relate and communicate differently with interlocutors with different roles and of different types.

2.4. EFFICIENCY AND EFFECTIVENESS

The principle of efficiency requires every working activity to be carried out with a sparing use of the resources employed in company processes, and committing to offer adequate services, according to the highest standards and to the clients' requirements.

FRIULSIDER commits to constantly guaranteeing the efficiency and effectiveness of company processes: through arranging and respecting programs for continual quality improvement; as well as adopting technological and organisational solutions which seek to combine satisfying the requirements of the Company's clients with efficient and effective management.

2.5. COMPETITION

FRIULSIDER commits to developing the value of competition by adopting practices of propriety and fair competition towards competing companies on the market.

2.6 CONFIDENTIALITY

FRIULSIDER guarantees the confidentiality of information in its possession and refrains from researching information that is personal or that it holds in confidence, unless explicitly and knowingly authorised to do so, and in compliance with the regulations in force.

FRIULSIDER's collaborators are bound to keep all the information they learn confidential, and not to use it for purposes other than those authorised and relevant to their task.

FRIULSIDER fully respects confidentiality and privacy in dealing with its stakeholders' information: to that end specific policies and procedures for data protection are applied and constantly updated; addressees guarantee the confidentiality of information they learn of through operations carried out on the Company's behalf.

2.7 HEALTH AND SAFETY

FRIULSIDER commits to publicising and consolidating a health and safety culture, developing awareness of the risks and promoting responsible behaviours on the part of all collaborators; it works to safeguard the health and safety of its workers, clients and other stakeholders, especially by adopting adequate preventative measures.

FRIULSIDER's aim is to protect the Company's human, patrimonial and financial resources, constantly searching for the necessary synergies not only within the Company, but also with the suppliers, firms and clients involved in its activities.

2.8 ENVIRONMENTAL SAFEGUARDING

FRIULSIDER believes that the environment is a prime asset and commits to safeguard it; it plans its activities to this end, seeking a balance between economic initiatives and inescapable environmental requirements, considering the rights of present and future generations. All collaborators, with no exception, are responsible for protecting people and the environment in the work place.

2.9 FIGHT AGAINST CORRUPTION AND CONFLICTS OF INTEREST

FRIULSIDER commits to putting all necessary measures in place to prevent and avoid corruption and conflict of interest situations, adding other suitable measures to avoid the risk of committing crimes, including those addressed by Legislative Decree 231/01.

In carrying out any activity, one must always avoid situations where those involved have, or can even appear to have, a conflict of interest; in particular, conflicts of interests between company economic activities, family situations and tasks carried out within by collaborators inside the company are to be avoided.

2.10 FAVOURS

FRIULSIDER guarantees that favours will be handled correctly. It does not allow any form of gift which can even be interpreted as exceeding normal commercial, promotional or courtesy practices, or which in any case seeks to acquire favourable treatment in the conduction of any activity that can be linked to the Company.

Without contradicting what is outlined in the Organisational and Management Model, it is forbidden to grant, offer or promote, directly or indirectly, to officials or employees or their family members, clients, suppliers, public authorities, public institutions, or other organisations, any kind of gift which can influence the independence of their judgement or lead to any kind of advantage being ensured. On the other hand, directly or indirectly accepting payments, favours, gifts or favourable treatments from officials or employees or their family members, clients, suppliers, public authorities, public institutions, or other organisations is not allowed; the collaborator is in any case obliged to inform the Monitoring Committee of gifts received on such occasions.

3 FRIULSIDER'S SYSTEM OF GOVERNANCE

The system of governance adopted by FRIULSIDER complies with the legal regulations in force and is in line with the best existing practices in the area; it aims at ensuring the different sections of the Company collaborate as much and in as balanced a way as possible, and seeks to achieve this by harmoniously balancing the different roles of management, direction and control.

FRIULSIDER's system of government is currently composed of :

- Its shareholders' committee;
- Its board of directors;
- Its work council;
- Auditors.

This system is oriented towards guaranteeing that the Company conducts itself in a responsible and transparent way on the market, with a view to creating value for the shareholders and achieving the Company's objectives.

Members of the company's governing bodies must align their behaviour with the principles of propriety and integrity, abstaining from acting in situations where there is a conflict of interest in the activity they undertake.

Members of the bodies are also asked to behave in a way that is inspired by the principles of autonomy, independence and respect for the guidelines that FRIULSIDER gives for the relationships they maintain, on behalf of the Company, with public institutions and with any private individual.

They are asked to participate in an assiduous and informed way in the Company's activities; they are bound to use confidentially the information they learn of due to their office and cannot make use of their position to obtain gifts and personal advantages, whether direct or indirect; every communication activity must respect the laws and practices of correct conduct and must aim to safeguard the information covered by confidentiality requirements.

The administrative body carries out its functions with professionalism, autonomy, independence and a sense of duty and responsibility towards shareholders and third parties.

Administrators must not impede or inhibit the carrying out of control activities by the bodies responsible and, as well as their own areas of competences, are responsible for ensuring the values set out in the Ethical Code are respected scrupulously, promoting the sharing and publicising of those values as far as all the stakeholders are concerned as well.

4 SYSTEM OF INTERNAL CONTROL

With respect for the legal regulations in force and with a view to planning and managing company activities towards in a way that ensures efficiency, propriety, transparency and quality, FRIULSIDER adopts organisational and management methods suitable for preventing anyone who acts on the Company's behalf from engaging in practices that are illegal or in any case contrary to the precepts of this ethical code.

The Company implements an organisational, management and control model which lays out appropriate measures for guaranteeing that activities are conducted with respect for the law and for the rules of behaviour of this Ethical Code, and that risk situations are promptly identified and eliminated.

A specific Monitoring Committee has been set up to check that this Ethical Code is being applied. The Monitoring Committee assists the Board of Directors in establishing and updating the strategic direction of the system of internal control, analysing its adequacy and effective performance, and assessing company risks; and it carries out the additional tasks indicated in this Ethical Code.

The organisational, management and control model, with the aim of preventing crimes being committed for which the Company could be deemed responsible under the terms of Legislative Decree 231/2001, decrees that:

- All company activities which can be related to the main and supporting processes, and in the context of which crimes can be committed, should be identified;
- The responsibilities relating to implementation and controlling implementation should be defined;
- Audit functions should be assigned to the Monitoring Committee, which warnings, eventual violations, and results of investigations should be reported to.

The Monitoring Committee periodically checks the adequacy and effective performance of the system of internal control and carries out the interventions deemed necessary and appropriate for ensuring it performs better.

5 RELATIONSHIPS WITH SHAREHOLDERS

FRIULSIDER, aware of the important role played by shareholders, commits to providing accurate, sincere and prompt information to improve the conditions with which they participate, as is their prerogative, in company decisions.

It is a commitment on the company's part, in view of the commitment shareholders have made with their investments, to safeguard and increase the value of its activities by developing the management and pursuing a healthy patrimony.

In particular, FRIULSIDER commits to ensuring that administrators regularly take part in the work of shareholder meetings as well as guaranteeing that those meetings take place in an orderly and functional way, with respect for the fundamental right of every shareholder to ask for clarification and to express his or her opinion on the different subjects being discussed.

6 RELATIONSHIPS WITH STAFF

6.1 VALUE OF HUMAN RESOURCES

FRIULSIDER recognises the value of human resources, respects the individuality of workers and recognises the importance of their contribution to the company's activities; it safeguards and promotes the value of human resources with the aim of improving and increasing the skills patrimony possessed by every worker and increasing the responsibilities assumed by workers. FRIULSIDER considers the values of competence, propriety and diligence to be equally essential when working activities are carried out.

FRIULSIDER guarantees respect for collective labour agreements and the standards for social security, insurance and welfare in the sector. The working relationship is managed in a way that is designed to promote professional development and give every worker better skills.

Any kind of discrimination in hiring, remuneration, promotion or redundancy on the basis of race, sex, sexual orientation, nationality, religion, language, trade union membership, politics or ideology is forbidden, as is every form of favouritism; FRIULSIDER commits to guaranteeing the necessary conditions for a collaborative work environment without hostility and free from any kind of discriminatory behaviour or harassment.

The company demands everyone's collaboration towards the goal of maintaining an atmosphere where everyone's dignity, honour, reputation and work is respected. To this end it sets up periodical inquiries into the company atmosphere and endeavours to constantly improve it.

FRIULSIDER does not tolerate any intimidating or discriminatory attitude and will adopt adequate discriminatory measures against those who assume such attitudes or abuse their own position of authority within the company.

Workers who feel they have suffered from discrimination or harassment can report what has happened to the Monitoring Committee.

6.2. SELECTION AND HIRING OF WORKERS

Without prejudice to the regulations in force, staff selection is subject to verifying that the candidates fully correspond to the company professional profile, with respect for the equal opportunities of all who are interested.

Staff are hired on regular work contracts: no form of working relationship which does not comply with or seeks to evade the legal regulations in force is permitted.

6.3 TRAINING AND DEVELOPMENT

FRIULSIDER provides the worker with all necessary means for carrying out their working activities and guarantees the necessary information for them to increase their own awareness of the activities carried out and of the company mission.

In particular, FRIULSIDER invests in its workers' professional growth and guarantees constant training and development.

6.4 DUTIES OF WORKERS

Workers must commit to respecting the obligations signed up for in their work contract and those outlined in this ethical code, and when they carry out their tasks must abide by and respect the law and ensure that the principles of integrity, propriety, loyalty and good faith mark their conduct.

Workers must relate to their colleagues according to the principles of amicable co-existence, co-operation and collaboration in the pursuit of shared company goals.

Workers must report to the Monitoring Committee any breaches of the law, of this Ethical Code and of the Model of Organisation, Management and Control written under the terms of Legislative Decree 231/01, which should arise in the company context; they must bring to the attention of those directly responsible or their superiors and of the Monitoring Committee any observations they may have relating to suspected irregularities they observe.

6.5 USE OF I.T. SYSTEMS

In terms of the use of I.T. systems, every worker is responsible for the safety of the systems used and the data and information handled with them, and is subject to the legal regulations in force and to the conditions of the licensing contracts. Except as provided for in civil and criminal laws, using Internet connections for goals other than those relevant to the working relationships or to send messages which are offensive or could damage the image of the company is classed as an improper use of company property and resources.

Every worker is also obliged to make the necessary commitment to prevent the possibility of crimes being committed through the use of I.T. systems.

6.6 CONFIDENTIALITY AND INFORMATION MANAGEMENT

Every worker is obliged to keep the information he has learned in carrying out his functions confidential, while conforming to the laws, regulations and circumstances.

Every worker must observe this duty of confidentiality even after the working relationship has ended, striving to ensure that the requirements of the current regulations on privacy are respected, and carefully guard the archives he or she is entrusted with.

6.7 DUTIES OF COLLABORATORS

The regulations listed above extend to all future collaborators, consultants, agents and mandatories of the Company.

7 RELATIONSHIPS WITH CLIENTS

FRIULSIDER commits to satisfying its clients in meeting the obligations established in the relevant contracts.

FRIULSIDER builds a relationship with its clients characterised by a high level of professionalism and with availability, respect, courtesy, and a search for and offer of the greatest possible collaboration as its distinguishing features; one of FRIULSIDER's essential goals is satisfying its clients.

FRIULSIDER commits to behaving efficiently and collaboratively with its clients; supplying accurate, complete and sincere information about the characteristics of the services offered in a clear and transparent way; using simple and comprehensible language; and ensuring all clients are treated equally.

7.1 CONTRACTS AND COMMUNICATION

Contracts and communication with clients are clear, simple and technically proper, as well as conforming to the legal regulations in force.

FRIULSIDER commits to communicate promptly and in the most appropriate way every piece of information relating to eventual changes and variations in the characteristics of products or related services.

8 RELATIONSHIPS WITH SUPPLIERS

The processes of selecting and choosing suppliers are marked by the principles of legality, propriety and transparency; the choice is based on objective and impartial criteria in terms of quality, cost, professionalism and additional services relating to the services/products being offered.

FRIULSIDER cannot accept favours, gifts or anything of the kind, unless these can be directly attributed to normal relationships of courtesy and are of modest value; the Committee forbids sending purchase orders which do not meet a specific and justified requirement, or granting payments to consultants and suppliers which cannot be justified in terms of market prices and the type of role to be carried out.

Breach of the principles of legality, propriety, transparency, confidentiality and respect for human dignity are fair grounds for relationships with suppliers to be terminated.

Where FRIULSIDER receives an offer of financial or other benefits from a supplier seeking favouritism, it must immediately suspend the relationship and report what has happened to the Monitoring Committee.

9 RELATIONSHIPS WITH PUBLIC BODIES AND PUBLIC SERVANTS

For the purposes of this Ethical Code, we classify as public servants: public officials and public service representatives; or bodies, representatives, agents, representatives, members, workers or consultants who have been entrusted with public functions; or public institutions or public bodies on the national and international level.

The Company's leadership and its collaborators must in no case promise or give sums of money or promise or grant gifts in kind or other financial or other benefits to public servants, even in a personal capacity, with the aim of promoting or favouring the interest or advantage of the company.

Should a public servant exercise illegitimate pressure with the aim of attaining money or other goods for FRIULSIDER's collaborators, those collaborators must report it immediately to the Monitoring Committee in the manner specified in the OMM.

There is also a specific ban on carrying out any act of courtesy or hospitality or offering any gift which is not of modest value and expressly authorised, which could be interpreted as an attempt to acquire illegal or undeserved advantages from the public official.

In particular, relationships with the public administration are marked by clarity, transparency and professionalism, by recognition of the respective roles and organisational structures and by the applicable regulations.

All FRIULSIDER's workers are expressively forbidden from accepting payments, gifts or favourable treatments; the collaborator is obliged to inform the Monitoring Committee of any such offer received.

Everyone who work with FRIULSIDER is bound to respect the principles outlined above, which cannot be evaded by having recourse to other forms of help, contribution, sponsorship, appointment or consultancy with the same aims.

The same principles apply to third parties who maintain relationships with public officials in FRIULSIDER's name and on its behalf.

10 VALIDITY, APPLICATION, MEANS OF IMPLEMENTATION AND CONTROL

This Ethical Code is an integral and essential part of the Organisational Model adopted by FRIULSIDER under the terms of Legislative Decree 231/2001.

Respect for and observance of the regulations of this Ethical Code is an essential part of its workers' contractual obligations, pursuant to and in accordance with articles 2104 and 2106 of the Ethical Civil Code.

Breach by the worker of the regulations of the Ethical Code and the Control Protocols of the Organisational, Management and Control Model established under Legislative Decree 231/2001 will constitute a failure to meet the primary obligations of the working relationship or an act which can be penalised under disciplinary regulations, with respect for the procedures established in article 7 of the Worker's Charter, with all legal consequences arising therefrom, including with regard to whether the working relationship can be preserved, and also, potentially, as a cause for compensation claims.

All the Ethical Code's addressees are bound to demand that the principles the Code itself outlines are observed even by FRIULSIDER's stakeholders.

Observance of the Ethical Code and the Control Protocols of the Organisational, Management and Control Model established under Legislative Decree 231/2001 by suppliers is part of the obligations they must fulfil and of the duties of diligence in executing their contracts with FRIULSIDER.

Breach of the regulations of the Ethical Code and Protocols referred to in the contracts may constitute, depending on the seriousness of the breach, fair grounds for terminating those contracts with all legal consequences arising therefrom, including the recovery of compensation

10.1 THE ETHICAL CODE AND THE MONITORING COMMITTEE

The task of monitoring the implementation of and respect for this Ethical Code and the Organisational, Management and Control Model established under Legislative Decree 231/01, as well as its effectiveness, adequacy and capacity to maintain over time the requirements of functionality and soundness demanded by law, is delegated to the Monitoring Committee.

In particular, the following tasks are assigned to the Monitoring Committee:

- Checking that the Ethical Code is being applied and respected, as well as that there is a constant improvement in ethics within the Company, through an analysis and evaluation of the control processes for ethical risks;
- Monitoring the initiatives for spreading knowledge and awareness of the Ethical Code;
- Guaranteeing the development of ethical communication and training activities;
- Receiving and analysing reports of violations of the Ethical Code.