



DANIELI AUTOMATION S.p.A., for the purpose of strengthening all of the corporate control and *governance* tools it has already adopted, in order to safeguard the Company and its shareholders, has decided to implement the provisions of Legislative Decree n. 231 of 2001, by adopting its own Organizational, Management and Control Model, as per decision of the Board of Directors.

Legislative Decree 231/2001, which concerns the "*Regulation of liability of legal entities, companies and associations, including those without legal status*", explicitly states that the Company can be held liable – and therefore can also be subject to the application of significant penalties of both a pecuniary and disqualifying nature - for certain offences committed or attempted in the interest or for the benefit of said company by top management and subordinates. An Entity is not administratively liable if it can prove that: (i) it has adopted and effectively implemented, before the offence is committed, an Organizational, Management and Control Model aimed at preventing the perpetration of crimes; (ii) it has appointed a Watchdog Committee vested with independent powers of initiative and control, to monitor the operation, effectiveness and observance of the Model, and to keep it updated; (iii) the monitoring activity performed by the Entity is not lacking or inadequate. Proper organization is therefore the only instrument able to negate the liability of the Entity, and consequently exclude the application of penalties.

By adopting this Model, DANIELI AUTOMATION intends to make it perfectly clear that the Company fully condemns any illegal conduct. The Company has set up a system of control procedures and activities to prevent any conduct that could lead to the perpetration of the crimes set forth in Legislative Decree 231/2001, and seriously damage the company's integrity and image. The Model aims to raise awareness so that all those who operate on behalf of DANIELI AUTOMATION - particularly in the areas identified as "at risk" of serious crimes being committed pursuant to the Decree – will ensure that the Company is run in a fair, transparent manner, in full compliance with current regulations and ethical business values.

The stages leading to the drawing up of the Organizational, Management and Control Model were:

- *Risk Assessment*, or the mapping of sensitive company activities (for which there is a potential risk of perpetration, in the interest or for the benefit of the Company, of underlying crimes for which the latter could be administratively liable);
- *Gap Analysis*, a study of how the control system adopted by the Company can be improved in order to prevent underlying crimes from being perpetrated.

Based on the results of the above-mentioned activities, an efficient Organizational, Management and Control Model has been set up, suited to the Company's specific needs. This document comprises a General Part and a Specific Part. The General Part, in addition to describing the contents of the Decree, also lists the criminal offenses that constitute administrative liability for an Entity, together with the possible penalties and the conditions for liability exemption (Section One), the organizational structure of the Company and the activities it performs in the preparation, dissemination and updating of the Model (Part Two). The Specific Part, on the other hand, comprises a series of decision-making protocols, or a set of rules and principles of control and conduct that are considered suitable for those areas where there is a risk of perpetration of underlying offenses subject to administrative liability, as per Legislative Decree 231/2001.

The Model also incorporates the rules of the Code of Ethics adopted by the Company, and contains the principles of professional ethics and conduct that the Company applies in the performance of its activities, and that constitute the standard of behavior which all employees and all those who work with the company in various capacities are required to observe.

Considering that legislation on this matter is constantly changing, and taking into account any organizational changes that may occur within the Company, the adopted Model will be subject to modifications and additions.

The Watchdog Committee currently holding office is composed of:

- Mr. Gianluca Buoro - Chairman
- Mr. Andrea Reghelin - External member
- Mr. Antonio Semerari - Internal Member