CODE OF ETHICS
TABLE OF CONTENTS

0 INTRODUCTION ........................................................................................................... 3
0.1 Code of Ethics ........................................................................................................ 3
0.2 Recipients ............................................................................................................. 4
0.3 Implementation and control ................................................................................... 4
0.4 Possible doubts on behaviors to hold ........................................................................ 4
0.5 Reporting infringements .......................................................................................... 5
0.6 Sanctions ................................................................................................................ 5
0.7 Code of Ethics Improvement .................................................................................... 5
1 NLMK VERONA S.P.A. ITS MISSION AND ITS ETHICAL VISION ....................... 6
1.1 NLMK Verona S.p.A. .............................................................................................. 6
1.2 The vision of NLMK Verona S.p.A. ......................................................................... 6
1.3 Ethical vision and motivations ................................................................................ 6
1.4 NLMK Verona S.p.A. stakeholders .......................................................................... 7
2 PRINCIPLES AND RULES OF CONDUCT RELATED TO ALL STAKEHOLDERS ..... 8
  3 PRINCIPLES AND RULES OF CONDUCT RELATED TO SPECIFIC STAKEHOLDERS 10
  3.1 Relationships with the Government, the public administration and public entities 10
  3.2 Relationships with customers and users of the products and services .............. 10
  3.3 Relationships with employees ............................................................................. 10
  3.4 Relationships with shareholders, investors and banks ........................................ 11
  3.5 Relationships with suppliers ................................................................................ 12
  3.6 Relationships with the general public, local communities and non-profit organizations 12
  3.7 Relationships with competitors .......................................................................... 12
  3.8 Relationships with the environment ..................................................................... 13

Update No. | Approved on | By (Governing body): | Changes made with regard to previous version
--- | --- | --- | ---
00 | 28/05/2013 | Board of Directors | First version

M-01_agg00 Code of Ethics
0 INTRODUCTION

0.1 Code of Ethics

This Code of Ethics (hereinafter “Code”) provides a set of principles and rules of conduct that NLMK S.p.A. has adopted.¹

This Code is based on:

A) **ethical principles** that apply to NLMK Verona S.p.A. They are binding on the entire Company as they represent broad universal values that anyone operating in NLMK Verona S.p.A. shall embrace within the scope of his/her duties. These principles are shown graphically in a box:

```
Ethical Principle
```

B) **rules of conduct**, on the other hand, serve as behavioral criteria which people operating in NLMK Verona S.p.A. are expected to follow in specific potentially critical instances in order to ensure that ethical Principles are complied with. Rules of conduct are preceded by symbol: “ ”, as shown below:

- Rules of Conduct

Rules of conduct and ethical principles are of ABSOLUTE character and cannot be derogated by any measure or provision, if not amending this Code of Ethics and if they comply with the provisions of Model pursuant to Legislative Decree 231/01.

¹ For drawing up criteria of the Code of Ethics see: CELE, Q-Res Project: la qualità della responsabilità etico-sociale d’Impresa. Linee guida per il management, Liuc Papers No. 95, Ethics Series, Diritto ed Economia 5, supplement to the issue of October 2001; general Provisions of the Model - § 1.2 state further references.
0.2 Recipients
The Code of Ethics is binding on:

a) persons who hold representation, administration or management functions for NLMK Verona S.p.A. and for one of their organization unit having financial and operational independence and on persons who carry on, even in fact\(^2\), management and control thereof.

b) persons subject to management or supervision by one of the persons as per letter a).

A special more general Code has been provided to suppliers and other third parties in business with NLMK Verona S.p.A., in order to foster their commitment in complying with our fundamental principles of lawfulness and fairness, yet without binding the third parties on specific implementation procedures set forth in this Code.

0.3 Implementation and control
Implementation and control procedures regarding this Code aim at ensuring, with appropriate preventive measures, that the ethical principles and rules of conduct are complied with as provided for in the “General Provisions of the Model pursuant to Legislative Decree 231/01” adopted by NLMK Verona S.p.A. (doc. M-02) as well as in the document “Table of Controls required for in the Model” (doc. M-07).

These documents provide for:
- a continuous proper training and awareness program regarding issues related to the Code of Ethics;
- protocols meant to schedule training and implementation of decisions;
- appropriate measures so as to ensure business performance in compliance with the law and promptly to identify and remove risk situations;
- a financial resources management procedure;
- a specifically appointed Body (“Supervisory Board” or “OdV”) in charge of supervising and updating the Model;
- information requirements with respect to the Supervisory Board;
- a suitable disciplinary system that punishes failure to comply with the Code of Ethics and the measures referred to in the model.

Recipients of this Code are jointly obligated to comply with the above-mentioned General Provisions and Controls.

0.4 Possible doubts on behaviors to hold
This Code does not provide for all situations. As a matter of fact it might be that you have to cope with ethical issues that are difficult to resolve.

In these cases, it is advisable to pose the following questions on the behavior we intend to adopt:
- Is it legal and ethical?
- Can I explain this to my family and friends?
- Would I be at my ease if it were published on a newspaper?

The Supervisory Board is at disposal for clarification of any doubts on behaviors to hold in relation with the Code.

\(^2\) On the other hand we clarify that the General Provisions of the Model prohibit factual exercise of these powers if they have not been duly approved.
0.5 Reporting infringements
Any infringement to this “Code” shall be reported either electronically or by requesting an appointment to the Supervisory Board (see chapter 8 of the general Provisions of the Model), as well as to your Manager, if possible.

Should infringements be committed by members of the Supervisory Board, they shall be reported to the Governing body.

All information provided shall be kept confidential.

0.6 Sanctions
Infringements to this Code shall in no way be tolerated and shall entail, depending on the cases, disciplinary measures towards the offender up to dismissal; cancellation of cooperation or supply contract or removal from the Board of Directors.

Infringements to this Code are punished as stated in the "Disciplinary System" (doc. M-09).

0.7 Code of Ethics Improvement
This Code of Ethics is an interpretation of values with which NLMK Verona S.p.A. identifies itself. This Code sets out principles and behaviors suitable for the present organization NLMK Verona S.p.A. and for the relevant operational contexts. Since NLMK Verona S.p.A. and the contexts in which it works are continuously evolving the Code is subject to updating.

All the recipients of the Code are asked to assess its suitability providing their contribution for the purpose of improving it. The relevant proposals are to be addressed to the Supervisory Board.
1 NLMK VERONA S.P.A. ITS MISSION AND ITS ETHICAL VISION

1.1 NLMK Verona S.p.A.

Data related to NLMK Verona S.p.A. is:

- COMPANY NAME: NLMK Verona S.p.a.
- Tax Code, Verona Register of Companies, VAT No.: 0281087 023 4
- Verona Chamber of Commerce, Industry, Craft, Agriculture Administrative Economic Register 285265

NLMK Verona S.p.A. began doing business in 2004 under the name Acciaierie Grigoli. The main activity of NLMK Verona S.p.A. is: production of ingots of alloy and non-alloy steel, continuous casting slabs, plate, ingots for forging and thermal treatments according to international standards and/or to customer specifications.

The Company belongs to the NLMK Group.

1.2 The vision of NLMK Verona S.p.A.

The vision of NLMK Verona S.p.A. is to become a producer of steel with a reputation for excellence in meeting the requirements of the users, using cutting-edge technologies and thanks to the efficiency of its organization.

One of the essential conditions for growth and development of NLMK Verona is the ability to establish enduring partnerships with its customers and the end users of its steel products. This means being able to quickly adapt to different demands, special job orders and particular situations and also to offer design consulting in order to achieve the best quality at the lowest possible cost.

All NLMK Verona employees are aware that they belong to a compact group, capable of coping with and winning all the challenges posed by the market. There are many ways of doing business. NLMK Verona has always held ethics, loyalty and transparency with its customers and competitors to be a real competitive edge.

1.3 Ethical vision and motivations

NLMK Verona S.p.A. pursues its mission by keeping to the following fundamental principle (“Ethical vision”):

WE KEEP TO THE LAWS WHEN PERFORMING OUR BUSINESS, RESPECTING THE STAKEHOLDERS’ RIGHTS

- Every director, officer and employee of NLMK Verona S.p.A must comply with the laws and regulations applicable in all the countries where we do business. In no case can pursuit of the interests of NLMK Verona S.p.A. justify conduct that does not respect laws and regulations.
- This commitment must also apply to our consultants, suppliers, business partners and whoever has relationships with NLMK Verona S.p.A. NLMK Verona S.p.A. shall not begin or continue with any relationship with parties who do not keep to this principle. NLMK Verona S.p.A. prepares specific contractual clauses for these external parties.
- All actions, operations, transactions and, more generally, behaviors held when carrying out Company activities must be based on transparency, good faith, correctness, honesty and impartiality and carried out with the utmost diligence, cooperation, fairness, loyalty, honesty, moral and professional rigor.

NLMK Verona S.p.A. has adopted this ethical vision for the following reasons:
Value. We believe that democratic legality and respect of all stakeholders are values in themselves and we hold them to be an integral part of our way of acting as businessmen.

Reputation. We also believe reputation is an important part of our assets and intend to safeguard our reputation with the utmost care.

Security. We are finally aware of the fact that NLMK Verona S.p.A. could be heavily fined if employees or any persons operating on its behalf commit crimes in our interests or to our advantage.

1.4 NLMK Verona S.p.A. stakeholders

“Stakeholders” are those groups of individuals or those institutions which represent the interests of groups or categories of persons who have a “stake” in managing the company, because they provide or exchange contributions of various kind or because their well-being is significantly affected by the consequences of the company’s activities.

NLMK Verona S.p.A. stakeholders are the following:

- The government and public institutions
- Customers and users of products and services
- Workers
- Shareholders, investors and banks
- Suppliers and partners
- General Public, local communities and non-profit organizations
- Competitors
- The environment
2 PRINCIPLES AND RULES OF CONDUCT RELATED TO ALL STAKEHOLDERS

The following general principle shall apply:

**WE DO BUSINESS RESPECTING ALL STAKEHOLDERS’ RIGHTS AND GUARANTEE FAIRNESS, CLARITY AND CONSISTENCY TO THEM.**

The following specific principles and rules of conduct are derived from this general principle.

**We are consistent with our company mission and corporate purposes.**

- It is forbidden, as part of company business, to take actions that are not aimed at the Mission of NLMK Verona S.p.A. and at its corporate purpose.
- It is forbidden to use company processes and resources for purposes other than those for which they are specifically and legitimately designated related to the above-mentioned Mission and Purposes.
- Preferential treatment is forbidden towards anyone (for example when selecting and remunerating personnel, making purchases, using company assets, etc.) above and beyond normal courtesy and correctness.

**We guarantee the transparency of information provided to the public.**

- Any person who, as part of proper performance of his/her corporate functions, is required to disseminate or communicate information to the public must ensure its truthfulness and completeness. The information must be provided in order not to mislead its recipients.

**We specify every commitment clearly and respect commitments taken.**

- Any person who, depending on his/her own in-house function, is responsible for taking on commitments on behalf of NLMK Verona S.p.A. with regard to a stakeholder must specify these commitments in writing, making sure all obligations are clearly specified.
- Any person who, depending on his/her own in-house function, is responsible for performing commitments taken on with third parties must make sure, insofar as he/she is responsible, that execution complies with the specified obligations.

**We work only with legitimate resources.**

- It is forbidden to procure, for any purpose whatsoever, money, goods or other assets of illicit origin.
- It is forbidden to replace or transfer money, goods or other assets of illicit origin as well as to perform transactions that hinder assessment of its origin.
- It is forbidden to purchase, produce or use intellectual property, industrial products, patents, industrial drawings or models with counterfeit brands or marks or to use them without having the right to do so.

**We protect health and safety.**

- Any person working with NLMK Verona S.p.A. must meet health and safety requirements of all those involved in company business.

**We protect privacy.**

- Any person who processes personal data must do this within the limits laid down by the law and as stated in the disclosure provided to the persons whom the data refers to.
We protect the integrity of electronic and hardcopy documents and systems.

- Any person who manages electronic or hardcopy documents and data must operate with care and diligence.
- It is forbidden to illegally access IT systems or areas of these systems without the permission of the owners or managers.
- It is forbidden to steal and/or communicate or deliver to third parties codes or devices used to access IT and electronic systems.
- It is forbidden to slow down or interrupt the operation of websites, email servers or other IT or electronic systems.
- It is forbidden to cancel information without lawful authorization.
- It is forbidden to intercept telephone, electronic or hardcopy communications in any way.
- It is forbidden to forge electronic or hardcopy documents of any type – including currency, revenue stamps, certificates – or to acquire them or use them in any way.
- It is forbidden to procure, produce, reproduce or disperse computer programs or devices used to carry out the activities forbidden in this section.

We do not exchange gifts for favors.

- It is forbidden to offer, either directly or indirectly such as through one’s own family members, gifts, presents, money, gratuities on any account whatsoever, whether these are of a tangible or intangible nature (services, discounts, specials, etc.) except for customary giving of gifts of modest value and within the limits of normal courtesy.
- It is forbidden to accept gifts which may in any way appear to be connected with existing company relationships including those with the public administration and which are aimed at obtaining favorable treatment or undue advantages, except for customary giving of gifts of modest value and within the limits of normal courtesy.
- Whoever receives gifts as a result of the activities they perform is required to return them unless they are modest and within the limits of normal courtesy, explaining that this return is in accordance with this Code.

We adhere only to legitimate undertakings

- Those responsible for signing any association agreements whatsoever shall refrain from signing the agreement when its purpose is not perfectly legal and correct.

All our actions and transactions are correctly recorded, authorized, verifiable, lawful, consistent and appropriate.

- All the actions and transactions by NLMK Verona S.p.A. must be adequately recorded and it must be possible to check the decision-making, authorization and implementation process. There must be adequate documentary support for every transaction in order to proceed, at any time, with checks that certify the characteristics and reasons for the transaction and identify the person who authorized, carried out, recorded and checked the transaction itself.
3 PRINCIPLES AND RULES OF CONDUCT RELATED TO SPECIFIC STAKEHOLDERS

3.1 Relationships with the Government, the public administration and public entities

We respect the office of public officials or public servants and shall not influence their behavior in any way.

- It is forbidden to promise or give money or other goods, including gifts, either directly or indirectly, to public officials or public servants.
- Consequently any favorable treatment is also forbidden (for example during recruitment and remuneration of personnel, purchases, use of company assets, etc.) which may even indirectly favor public officials or public servants.
- The governing body and its delegates must make sure that NLMK Verona S.p.A. is not represented, in its relationships with the public administration, by parties in conflict of interest.

We are fair and transparent in our relationships with the Government and with public entities.

- It is forbidden to provide false information or omit documents, statements or information during preliminary, consulting, decision-making or monitoring measures being performed by a public entity for any purpose whatsoever.
- Any behavior intended to mislead persons or IT systems with public functions is forbidden.
- Supervisors must guarantee compliance with what is prescribed by the Government or by Public Entities on any account whatsoever, including what is specified when issuing permits, contributions, subsidies, loans or other public outpayments being used.
- It is forbidden to make false statements before the court during criminal proceedings that are in any way attributable to the activities of the group or to induce others to do so.
- It is forbidden, during any business negotiations, request or relationship with the public administration or with public servants, to try to improperly influence the decisions to be taken by the counterparty including the decisions of officers who deal with or take decisions on behalf of the public administration.
- It is forbidden to solicit from public officials or public servants or to obtain from them confidential information which could impair the integrity or reputation of either of the parties.

3.2 Relationships with customers and users of the products and services

We ensure compliance with the product and service requirements.

- Any person pursuing activities that affect the compliance with the product requirements must work to ensure that this compliance is met.

3.3 Relationships with employees

We ensure protection of the workers’ health and safety at their workplaces, taking all the measures required by the law and resulting from application of the best available techniques.

- Employers, managers, supervisors, workers and other obliged persons identified by regulations must meet the obligations and perform the tasks specified in legislative decree 81/2008 as amended as well as in other regulations on occupational health and safety. They must, as part of these tasks, take particular care to fulfil obligations related to:
a) compliance with the technical-structural standards of the law related to equipment, plant, work-places and chemicals, physical and biological agents;

b) risk assessment activities and preparation of consequent prevention and protection measures;

c) activities of an organizational nature such as emergencies, first aid, contract management, periodic safety meetings, consultations with workers’ safety representatives;

d) health monitoring activities;

e) worker information and training activities;

f) supervisory activities regarding compliance by workers with work safety procedures and instructions;

g) procurement of documentation and certifications required by the law;

h) periodic checks of application and effectiveness of the procedures taken.

We ensure respect for other workers’ rights.

- Managers in charge of personnel recruitment must avoid any form of discrimination and make their choices based on expertise and skills.

- Managers in charge of personnel management must make sure that employment relationships are governed by contracts and that these contracts comply with regulations regarding labor law.

- Top management, department managers and supervisors must exercise their authority with fairness and correctness, avoiding any abuse. Their authority must not transform into an exercise of power harmful to the dignity and autonomy of the employee.

- Any form of discrimination, intimidation, mobbing and stalking is forbidden.

We employ foreign workers only if they have proper residence permits.

- The employer and managers in charge of personnel management must avoid employing foreign workers who are unlawfully staying in Italy.

3.4 Relationships with shareholders, investors and banks

We are transparent with shareholders, corporate bodies and supervisory authorities.

- Any person who contributes to drawing up or submitting balance sheets, reports or other corporate communications provided for by the law and directed at shareholders and the public must always expound material facts that comply with the truth even if subject to evaluation or provide economic, equity or financial situation information required by the law on the company or the group to which it belongs in a way that is appropriate for correctly informing the recipients of the above-mentioned situation.

- Directors must promptly provide truthful and complete information in answer to legitimate requests from shareholders and other corporate bodies as well as from supervisory authorities.

The corporate transactions we perform comply with the law.

- Whoever arranges or implements corporate transactions must comply strictly with relevant regulations.

We are respectful of the Shareholders’ rights.

- It is forbidden to put in place any deed which disturbs proper operation of the meeting.

---

3 This principle also interests the “General Public” stakeholder.
We act correctly with regard to the financial market.

- It is forbidden to spread false information or engage in sham transactions or other devices likely to produce a significant change in the price of shares, stakes or financial instruments.
- It is forbidden for all those who come into possession of privileged information as part of the corporate business from misusing this information.

We are fair and transparent in our bank relationships.

- Those responsible for relationships with banks must operate with transparency, fairness and accuracy during exchanges of information.

3.5 Relationships with suppliers

We select suppliers based on their correctness, capacity and economic efficiency.

- Any person involved in supplier selection must act so that this selection takes place based on the capacity of the supplier to meet the requirements of the requested product or service at a fair price and without exception guaranteeing compliance with all legal requirements, starting with those related to health and safety.

We are correct with suppliers.

- Any person involved in supplier relationships must act, in their regards, with fairness and in accordance with agreements.

We respect copyrights.

- It is forbidden to externally procure and internally communicate to NLMK Verona S.p.A. the works of others, of any type (for example software, technological solutions, etc.), which are protected by copyright without acquiring the required permits and licenses.

3.6 Relationships with the general public, local communities and non-profit organizations

We limit the impact of our business on local communities as much as possible.

- Any person involved in activities that have effects on the local communities must operate in accordance with the legitimate requirements of these communities.

We entertain relationships with qualified partners within the local communities where we do business.

- NLMK Verona S.p.A. Managers who have relationships, for reasons connected to the company business, with partners belonging to the local communities must check that these partners are qualified for the legitimate purposes of the relationships being entertained.

We support cultural and social initiatives.

- The governing body and its delegates support initiatives of established cultural and social value.

3.7 Relationships with competitors

We guarantee fair competition.

- It is forbidden to perform unlawful or incorrect acts of competition or to contribute to these acts.
- It is forbidden to try to impede or disturb, in whatever way and for any reason whatsoever, the free exercise of industrial and commercial activities or, more generally, of any business activity.
3.8 Relationships with the environment

We respect environmental regulations and restrictions.

- Any person working in NLMK Verona S.p.A. must comply with the environmental regulations and restrictions that concern their activity.