

FINCANTIERI



ANTI-CORRUPTION POLICY

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1. SCOPE

This document provides a systematic reference framework concerning the prohibition of corrupt practices within the Group.

Corruption¹ means, in general, the abuse of power by a person who has that power, with the intention of obtaining a personal benefit. This statement contains three elements: (i) the distorted use of power, (ii) power that is assigned to a (private or public) subject and (iii) a personal benefit (not necessarily in favour of the persons abusing power, but also in favour of spouses, relatives and/or relatives by marriage to the second degree, de facto cohabiting partners and persons to whom they have an emotional attachment).

For the purposes of this document:

- the term “Code of Conduct” means the FINCANTIERI Code of Conduct published on the Company’s website;
- the term “bribery” means offering or receiving any payment, gift, loan, amount, reward or other benefit or recompense to or from any person (public or private), intended as an incentive to do something, to avoid doing something or to influence a decision. By way of example, bribery is the giving of a sum of money in order to (a) obtain, maintain or change the course of a commercial activity, (b) obtain any undue or inappropriate advantage in carrying out the activity (such as beneficial tax treatment), or (c) influence the judgement or behaviour of a third party or cause an undesired result or action;
- the term “public bodies” means representatives of the Italian and foreign public administration and public officials, as defined by applicable laws;
- the term “private entities” means any other subject not defined in the previous point.

2. RECIPIENTS

The recipients of this document are members of the Company Bodies of Group companies, all managers and employees, outsourcers and third parties that do business with the Group.

3. GENERAL PRINCIPLES

FINCANTIERI prohibits any kind of corrupt practice: unlawful favours, collusive behaviour, solicitation, directly and/or through third parties, as regards personal and career benefits for oneself or for others.

¹ For the various types of corruption, please refer to the Italian Civil Code art. 2635 and the Penal Code, art. 318, 319, 319-bis, 319-ter, 319-quater, 320, 321, 322 and 322-bis.

Firstly, it is prohibited to obtain, promise or offer objects of value to any person, including public officials, to obtain or maintain a business deal in an improper manner or to obtain an undue advantage in conducting business. In particular, making payments to obtain new contracts, retain old contracts, to speed up the processing of all official documents (for example customs services or environmental certification) or to unduly influence any person, is strictly prohibited.

Secondly, it is strictly prohibited to accept payments or objects of value in relation to conduct which goes against the principles set out in this document, in the FINCANTIERI Code of Conduct, as well as in applicable documents and laws.

Thirdly, as FINCANTIERI could be held liable in some cases for the corrupt conduct of third parties, such as agents, intermediaries, consultants and business partners, FINCANTIERI only works with other parties with a proven reputation. For this reason, FINCANTIERI carries out a mandatory process for all business partners, to check ethical requirements on a preliminary basis.

Fourthly, FINCANTIERI and Group Companies must keep accurate accounting records: all operations shall be correctly represented and include sufficient detail. Inaccuracies / omissions in accounting records, even if not for the purposes of corruption, constitute a violation of this document. False records may result in tax liability and other types of legal liability.

4. THE LEGAL AND PRACTICE FRAMEWORK

The FINCANTIERI Group's commitment, set out in the Code of Conduct², covers a number of company documents and practices that comprise strategies to combat corruption ("anti-corruption documents") in the functional and geographic areas where the Group operates.

These documents have been developed by the parent company FINCANTIERI. American subsidiaries have produced and adopted similar documents ("Ethics and compliance policy") with specific reference to the United States and to specific anti-corruption laws (US Foreign Corrupt Practices Act and Anti-Kickback Act of 1986). FINCANTIERI, aware that specific Codes of Conduct / Ethics Policies have been established at Subsidiaries, recommends that all Italian and international Companies of the Group adopt corresponding documents, depending on applicable laws.

This legal and practice framework, which is continually evolving and may be amended, concerns the following issues in sensitive areas, each regulated by specific documents or consolidated practices:

- **Management of relations with the Public Administration**

The document defines the principles of conduct and ethics which all Company personnel shall observe in their dealings and obligations vis-à-vis public entities in order to prevent corrupt behaviour.

In particular:

- obligations vis-à-vis the Public Administration and the preparation of relative documents shall be overseen with the utmost diligence and professionalism, so as to provide clear, accurate,

² "Fincantieri respects the laws and the regulations in force in every country or area in which it operates, in keeping with the principles, aims and commitments laid out in this Code" (Art. 1).

complete, exact and truthful information, avoiding and in any case reporting, in an appropriate manner, situations involving conflicts of interest;

- relations with officials from the Public Administration shall be characterised by propriety, transparency, cooperation, helpfulness and fully respecting their institutional role, carrying out requests and obligations punctually and swiftly;
- promising and/or offering goods and/or advantages to officials from the Public Administration for the purpose of influencing their independence of opinion or to lead them to unjustifiably favour the company's products is not permitted;
- all documents for the Public Administration shall be processed accurately and in clear, objective and complete terms, and shall be checked and signed by the FINCANTIERI Managers involved or by other personnel with appropriate delegated powers.

- **Agency, brokerage and sales assistance agreements**

The document defines the guidelines, principles of conduct and templates for agreements to refer to in the case that the Company intends appointing a third party, to promote or facilitate the finalisation of agreements for the construction or sale of ships, or contracts for goods or services supplied by the Company, through the identification of potential and/or established clients and/or the supply of services for assistance and support in negotiating and managing these agreements.

In particular:

- the proposal to nominate or appoint any potential appointee shall be supported by justified commercial requirements, as well as by the prior evaluation of the appointee's suitability to comply with the ethical rules and the procedures established by FINCANTIERI;
- the suitability of payments made is also commensurate with best practices and market standards, and amounts shall be paid to the subject with whom the appointment is formalised;
- to ensure compliance with the principles of conduct adopted by FINCANTIERI, all agreements are prepared based on templates;
- competent functions monitor the performance of the agreement, and also ensure, during its validity, that requirements for professional integrity are still met.

The agent/intermediary undertakes to observe the ethics and principles of conduct of FINCANTIERI and in the case of any violation, the agreement will be immediately terminated, without prejudice to any other action taken through the courts.

- **Donations, gifts, sponsorships, presents and hospitality**

The document defines the roles, responsibilities, operating procedures and principles of conduct that personnel of the Company shall observe in managing donations, gifts and presents from the Company to third parties following their request, or on the initiative of the Company, and sponsorships for the Company; the document also regulates business courtesies, establishing limits and authorisation criteria.

As provided for in the Code of Conduct: *“Making or offering, directly or indirectly, payments and material benefits of any amount to third parties, public officials or private entities, to influence or recompense their duties is prohibited. Any employee receiving gifts or beneficial treatment which is not directly attributable to a normal courtesy shall refuse them (...) Presents, courtesies and hospitality for government representatives, public officials and public administration employees may be allowed only if they are of a modest value and in any case if they do not compromise the integrity or the reputation of one of the parties and may not be interpreted, by an impartial observer, as being intended to obtain advantages in an improper manner”.*

The document includes the following principles of conduct:

- promising or offering money, benefits, promises of favours or other benefits is not allowed, even if indirectly by way of an intermediary (e.g. agent, consultant, etc.) to individuals in the Public Administration or private individuals, with the aim, even implicit, of obtaining preferential treatment for oneself or in the performance of any activity that could be attributed to the Company;
- employees may not request, solicit or accept money, gifts or benefits for themselves or for others, except for gifts of a modest value that may occasionally be offered as a normal courtesy;
- presents may be given to individuals or to Organisations, generally as seasonal gifts or to mark events, and in any case in accordance with the strategies established at a central level;
- it is the responsibility of FINCANTIERI to be aware of the prohibitions or limitations of the organisation to which the receiver belongs, before offering donations, gifts, sponsorships, presents and hospitality;
- the Company does not allow the making or offering, directly or indirectly, of payments and benefits of any amount/extent in order to speed up services already due by the parties it has dealings with (“facilitation payments”).

- **Outsourcing**

This document defines the authorisation process for outsourcing and the measures necessary for assignment to Public Administration employees or to third parties operating with public organisations.

The aim of procedures is to guarantee the correct and transparent management of relations with outsourcers of FINCANTIERI, reducing the risk of the offences mainly connected with corruption from being committed.

- **Conflicts of interest**

This document establishes the requirements for identifying and managing real or potential conflicts of interest; it also sets out the principles of conduct that each employee shall observe in carrying out their duties and in particular in managing relations with third parties.

A conflict of interest is defined as any instance in which personal interest or the activity of an individual interferes, or even appears to interfere, with the interests of the Company. A situation of

conflict arises when an employee performs an action or is susceptible to interests that interfere with their capacity to carry out their duties in an impartial and effective way.

Any situation that could constitute or cause a conflict of interest shall be reported promptly, according to procedures in the document, so that the superior or assigned organisational unit may verify whether it exists and how serious it is, and correct procedures to deal with it can be implemented.

By way of example, but not exclusively, conflicts of interest occur in the following situations:

- when employees and/or their spouse, relatives and relatives by marriage to the second degree, de facto cohabiting partners and persons to whom they have an emotional attachment, have economic and financial interests in the business of suppliers, clients and competitors;
 - when they use their position in the company or use information acquired in their job in a way that could create conflict between their own interests and the company's interests;
 - when employees who are connected by hierarchical relationships are related (by the spouse, relatives and relatives by marriage to the second degree, de facto cohabiting partners and persons to whom they have an emotional attachment);
 - when performing work of any type for clients, suppliers, competitors, etc.;
 - when accepting money, favours or benefits from people or companies that have, or who intend to enter into, business relations with FINCANTIERI or the Group's companies.
- **Obligations concerning financial statements and company resolutions, pursuant to Legislative Decree no. 231/01 (corporate crimes).**

The purpose of the document is to set out the duties, responsibilities and principles of conduct that shall be observed in activities for preparing Financial Statements and in company resolutions and in relations with the Independent Auditors, Statutory Auditors, Shareholders and Public Supervisory Authorities.

In particular, the following principles of conduct are outlined in the document:

- in accounting procedures, correct, complete and transparent accounting shall be strictly observed, according to criteria established by law and applicable accounting standards, so that all operations are authorised, verifiable, lawful, consistent and suitable;
- the accuracy of the registration process and of transactions represented in the financial statements shall be checked by delegated managers by financial statement item, with controls required by administrative and accounting documents;
- accounting records may only be made by qualified persons and authorisation levels are defined and revised as provided for by company documents;

- during audits and controls by the Independent Auditors, Board of Statutory Auditors, Shareholders and other Public Supervisory Authorities, personnel shall act transparently and cooperate to the utmost;
- extraordinary operations shall be carried out in compliance with provisions in the Italian Civil Code, provisions of laws and requirements of company documents.

- **Offset contracts**

The document defines the roles, responsibilities, operating procedures and principles of conduct that personnel of the Company shall observe in managing offset contracts.

The term “Offset” refers to any arrangement made under, or in connection with, a contract between the Fincantieri and a customer to generate work or create capability or economic value, in that customer’s Country for which that customer’s Offset Authority may grant “Offset credits” or otherwise release it from its Offset obligations.

In case of an offer to a customer for a contract that include an offset, the offset type is determined and the offset Committee is activated to examine the offset policy of the customer Government/company, to study the applicable law and to identify the related potential risks.

Third parties involved in an offset (suppliers, subcontractors, partners, to be referred as “offset partners”) shall be subject to a due diligence to ensure that:

- their role in the offset is clear;
- they are financially robust with reference to the activity to be performed;
- they appear to be transparent, ethical and compliant with applicable laws and regulations, including applicable anticorruption laws, export control laws and regulations.

The intensity of the due diligence (high or low risk) conducted varies in accordance with the risk profile of the offset program/transaction, or the offset partner in case of identified red flags.

Due diligence shall be carried out again every year in respect of any offset partner.

All the information collected during the due diligence process shall be treated in accordance with applicable data privacy legislation and the Company’s data privacy policy.

The due diligence procedure is completed by collecting the necessary internal confirmations to obtain the final approval by the function in charge

The offset commitment plan is continuously updated and submitted to the approval of the function in charge.

An half-year report on the offset activity and overall performance is provided to the Fincantieri top management.

- **Know Your Customer**

The document defines the roles, responsibilities, operating procedures and principles of conduct that personnel of the Company shall observe in managing a business relationship with a new client; before entering in a business relationship, it has to be carried out a careful examination of the prospective client, to guarantee the absence of any law violation or crime

Fincantieri adopted a “KYC procedure” aimed to assess the integrity, reputation and financial robustness of its new clients and to examine the connected risks to a business relationship with a new counterparty.

The due diligence on the Fincantieri client is classified in preliminary and enhanced due diligence.

The preliminary due diligence consists in collecting information from open sources and using IT platforms obtaining information from reliable sources, and performing an analysis of the collected information to identify possible “red flags” that include, but shall not be limited to, the following: the prospective client is subject to international sanctions, presents reputational or financial issues, is a politically exposed individual or exercise a public function, the Country of residence or the Country in which the prospective client is registered is subject to international economic sanctions, trade restrictions or presents high risk of corruption, etc.

The collected information in the preliminary due diligence must be examined by the Fincantieri client Evaluation Committee (“KYC Committee”). If a red flag has been identified, an enhanced due diligence is carried out for a more detailed examination and to evaluate possible tools of risk mitigation.

To perform the enhanced due diligence the additional and more detailed information will be requested to the client by means of tailored questionnaires to be verified by an external source.

The result of the KYC Committee review has to be submitted to the function in charge for the final decision of approval / rejection of the business relationship with the proposed client.

In the case of long-term relationships, there is a periodic update of the due diligence (at least every 2 years).

- **Joint Ventures**

Partnership and joint venture agreements are a sensitive area for the company, and the associated risks are carefully assessed in the mainframe of Fincantieri's Enterprise Risk Management. Before entering in this kind of agreements, the company carries out an examination of the counterparties both economic-financial and regarding their integrity and reputation, with the aim of highlighting the possible risks underlying the beginning of a new business relationship.

If risks indicator are identified (“red flags”), all the necessary detailed analysis are carried out in order to identify adequate protections for Fincantieri. The results of the verifications and analyses carried out are brought to the attention of the Top management for approval. The finalized agreements contain specific contractual provisions committing the counterpart to respect Fincantieri ethical and conduct principles, and in event of breaches is provided for the termination of the contractual relationship.

5. TRAINING AND MONITORING

All FINCANTIERI personnel are responsible for complying with applicable documents and for correctly adopting the internal documents system concerning anti-corruption, in relation to their duties and responsibilities. FINCANTIERI informs its employees and provides training on the risk profile associated with their function or activity.

In this context, managers have a key role, and shall comply with and ensure their staff comply with anti-corruption documents.

As regards the Parent Company, the Auditing Department independently examines and checks internal controls, to ensure, as part of the annual audit programme approved by the Board of Directors, that requirements of anti-corruption documents have been met. The Watchdog Committee, established pursuant to Italian Legislative Decree no. 231/2001, plays a special role and periodically reviews sensitive information in order to identify conduct that is potentially at risk as regards offences of corrupting the Public Administration in Italy and abroad, and private entities. The Compliance Programme pursuant to Italian Legislative Decree no. 231/2001 and the company legal framework are updated on an ongoing basis in order to take into account legal developments and organisational changes, and adequately deal with the possible risks of offences being committed.

Any suspected or known violation of anti-corruption documents or anti-corruption laws shall be immediately reported, anonymously if necessary, to:

online platform: *available on the Internet site in the “Ethics and Governance” section and in the company intranet*

postal address: *Organismo di Vigilanza - Fincantieri S.p.A. c/o CO-AUD
Via Genova 1 – 34121 Trieste – RISERVATO OdV*

The confidentiality of persons reporting violations and information provided is guaranteed, without prejudice to legal obligations. In addition, FINCANTIERI will not take any retaliatory action (disciplinary sanctions, demotions, suspensions, dismissal), or discriminate in any way company personnel at work, who:

- have taken action, in good faith, to report events or situations relative to compliance with this document or with anti-corruption documents, or in any case with relative laws in force;
- have refused to take action that goes against this document or anti-corruption documents, even if this refusal results in negative consequences for the Company's business;

6. DISCIPLINARY AND SANCTION PROCEDURES

With reference to the anti-corruption document, FINCANTIERI adopts the disciplinary measures established in “Regulations for the application of disciplinary sanctions” to which the Compliance Programme pursuant to Italian Legislative Decree no. 231/2001 adopted by the Company refers, and clauses providing for early termination to apply in the case of subjects that, operating within or outside the Group, are found liable for the following:

- violations of anti-corruption documents;
- omissions in reporting violations of the above documents that come to their knowledge;
- retaliatory behaviour vis-à-vis persons reporting a violation.