

FINCANTIERI



COMMERCIAL ASSISTANCE AGREEMENTS - Summary -

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1. INTRODUCTION

FINCANTIERI operates according to principles of fair competition with honesty, integrity, fairness and good faith and with the highest degree of respect for the legitimate interests of shareholders, employees, customers, commercial and financial partners, and countries and communities where it conducts business. In particular, FINCANTIERI proactively promotes Corporate Social Responsibility as a social and environmental focus integrated into its business model, and informs the public of all related activities in its periodic reports.

Integrity, Ethics and Respect, Merit, Excellence and Innovation, as well as Health and Safety, Environment Protection, Quality and Performance, Sustainable Growth, International Outlook, Rights and Client Focus are the fundamental values behind FINCANTIERI's approach. It is on these values that FINCANTIERI focuses and promotes its relationship of trust with its Stakeholders, that is everyone with an interest in the company, such as shareholders, employees, suppliers and clients.

Within this framework, all those who work or operate in Italy or abroad on behalf of or for FINCANTIERI, or who have business relationships with it, without any distinction or exception, are required to comply with these principles and ensure that they are complied with, each within its/his/her functions and responsibilities. The belief that one is operating in the interests or to the advantage of the Company can in no way whatsoever justify a conduct in conflict with these principles.

In light of this, bribery is an unacceptable obstacle to the ability of the Company to do business. FINCANTIERI is committed to systematically promoting fair competition, which is an essential element for pursuing its interests and a guarantee for all market participants, clients and stakeholders in general. Strict compliance with laws and regulations, ethical integrity and fairness, transparency and honesty are a commitment and constant duty for all FINCANTIERI personnel.

FINCANTIERI condemns the use of any unlawful or inappropriate behaviour to achieve its business goals, which it intends to pursue exclusively through excellent performances in terms of innovation, quality and economic, social and environmental sustainability.

FINCANTIERI confirms its commitment to fight bribery in all its forms by taking a zero tolerance approach against it and to constantly improve the integrity and transparency of its corporate conduct, that will reflect positively on the Company's reputation in the countries in which it operates.

2. PRINCIPLES

This document summarises the principles of conduct that all FINCANTIERI personnel must follow when the company appoints a "*commercial assistance provider*"¹ to support the Company in securing shipbuilding or sales contracts, or contracts for the supply of goods or services by FINCANTIERI, through the search for potential and/or predetermined clients and/or assistance and support services in negotiating and managing such contracts.

These principles are embodied and reflected in a detailed mandatory internal policy, which is the result of the collaboration among various Business Units and experts in the field, and is aligned with the best international standards.

¹ A commercial assistance provider is, for example, an agent, sales representative, broker, intermediary, free mandate, commercial services provider etc.

In the framework of the fight against corruption, such policy adopts legal principles (Italian Legislative Decree n. 231/2001, which implements the OECD Convention against corruption) and the rules set forth in Europe by the AeroSpace and Defence Industries Association (that set up anti-corruption criteria for the related agreements) in line with its Code of Conduct, the Organisational, Management and Control Model pursuant to Italian Legislative Decree n. 231/2001 adopted by FINCANTIERI and the international best practices adopted in the field.

In particular, FINCANTIERI ensures that all its personnel adopts the following principles of conduct:

- **Appointment proposal**

The proposal to appoint any potential *commercial assistance provider* must be supported by motivated commercial needs and by the prior evaluation of the potential provider's integrity, professionalism and suitability to comply with the ethical and fairness rules and the procedures established by FINCANTIERI.

Both the Policy and the Procedure ruling the matter provide that the analysis on the potential *commercial assistance provider* include the list of the owners or shareholders of the third Party proposed, up to the final beneficial owners in order to have a clear view of the final ownership of the third Party.

In evaluating whether it is advisable to appoint the *commercial assistance provider*, special attention must be paid to the laws and regulations of the country in which the services are to be provided and, if different, of the country where the potential *commercial assistance provider* resides, to the *commercial assistance provider's* professional integrity and ethics, on the basis of a due diligence process which includes, among other things, an analysis of the provider's curriculum and the track record. In addition, adequate information on the provider (including checking international sanctions and watch lists) is to be collected and updated before executing any agreement with the *commercial assistance provider* or entering into any contractual relationship.

During the above evaluation process, the competent Business Units must also involve a function independent from that promoting the execution of the relevant contract.

In the frame of the above evaluation process, the independent function performs supplementary researches, through online sources, and supplementary analysis from a legal, financial and reputational point of view. These activities can be entrusted to an external well-known consultant company specialised in international researches / analysis and by international professional firms (legal, tax, etc.).

The agreement with the *commercial assistance provider* must be entered into by the Fincantieri group company that will execute the contract with the end customer.

- **Negotiation and execution of the agreement**

The negotiation with the *commercial assistance provider* and any related activity must be carried out in compliance with internal regulations, with the Italian and international laws and with those of the relevant country. For this purpose, the agreements with the *commercial assistance providers* must be based on the internal standard contract, which are available for various types of contracts in Italian and English and

include, among others, provisions which may not be derogated since they embody the principles described herein.

The principles that are to be reflected in the agreement with the *commercial assistance provider* include:

- the term of the agreement corresponds to the period in which the services are provided, and no automatic renewal is allowed;
- fair consideration, calculated on the basis of the duration, quantity, complexity, quality of the services, taking into account any best practices and market standards;
- the contractual undertaking by the *commercial assistance provider* to give adequate evidence on its skills, know-how, its means to provide the services, the authorizations, permits, licenses and any and all applicable legal requirements to perform the services;
- a representation by the *commercial assistance provider* that he/she/it knows the ethics policies of the Company, the laws against bribery of public officials provided for by the 1997 OECD Convention as implemented in Italy by Legislative Decree n. 231/2001, and the United Nations Convention against Corruption, as well as a commitment to comply with the principles of the FINCANTIERI Code of Conduct and the Organisational, Management and Control Model adopted by the Company in accordance with Italian Legislative Decree n. 231/2001;
- termination of the agreement in case of breach of the Company's ethical rules.

● **Performance of the agreement**

Performance of the agreement by the *commercial assistance provider* must be monitored, based among others on the nature of the agreement, so as to ensure that the agreement is performed effectively and correctly. The *commercial assistance provider's* continuing professional integrity, suitability and honorability, which are essential for the execution of the agreement, must be verified periodically and at least annually.

The adequacy of the agreed consideration must be calculated on the basis of, among others, applicable best practices criteria and market standards.

The independent function, where requested by the Responsible of the Business Unit, can award a specific assignment to leading and specialising consultancy firms to verify the consideration set out in the Agreement, its fairness or reasonableness and compliance with criteria identified by the Policy on the matter.

The Procedure provides that payments to the *commercial assistance provider* must occur using methods that guarantee their traceability, via bank transfer to an account in the name of the appointed provider, in the country where the services are provided, or in the country in which is located the residence of the provider where different; this bank account cannot be located in a *privileged tax country*, except where this is also the country where the services are provided.

The *Commercial Assistance Agreements*, which models are included in the Policy on the matter, provide staged payments' mechanisms.

The payments are subject to the verification of the performance of the services and the compliance by *the service provider* in respect of all its obligations under the *Agreement*.

- **Renewal/extension of the agreement**

Any requests for renewal/extension of the agreement must be made before its expiration and must be adequately justified by indicating the results achieved by the *commercial assistance provider*, or the reasons why the expected goals have not been reached, without prejudice to the continuing integrity requirements. The commercial assistance agreements may not be renewed tacitly.

3. OPERATING PROCEDURES

The principles mentioned above have been detailed in an operating procedure, regulating each phase of the agreement from the proposal to the complete execution.

A second level control has been introduced in the establishment phase of a commercial assistance relationship, and it has been created the role of an Independent Body to guarantee the compliance with the principles of the Fincantieri Code of Conduct during the execution of the agreement.

Specific tools have also been introduced to support the due diligence on potential commercial assistance providers.

This procedure is applied to all Fincantieri business sectors and Fincantieri Subsidiaries subject to approval by the respective Management Bodies.

The Company condemns any behaviour which does not comply with the principles set forth in this Document and applies its disciplinary and sanctioning rules to any breach thereof.

All the above mentioned activities must be properly documented, stored and maintained for 20 years by the relevant Business Unit. In addition, all contracts entered into by the various Business Units must be saved in a dedicated central database.