



## LECHLER CODE OF BEHAVIOUR

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## 1. Introduction

### 1.1 Preliminary remarks

The Lechler spa Group, mentioning Law no. 231/2001, sensitive to the requirement of ensuring conditions of correctness and transparency in running the company business, in defence of its position and image, of the expectations of its Shareholders and of the work of its Employees, observing the lawful interests of the communities in which it is present with its activities, deemed it necessary to issue this Code of Behaviour (hereinafter referred to as the "Code"), which shall be extended soon, as Parent Company, to all the Group Companies.

This initiative was undertaken with the conviction that it may be a valid sensitisation element for all those working in the name and on behalf of the Group, so that they follow, in the fulfillment of their tasks, the behaviours mentioned in this Code.

This will guarantee a dual function: the dissemination of uniform and transparent principles to carry out the entrusted tasks, as well as to contribute towards the creation of a system fit for determining a prevention model also pursuant to Italian Legislative Decree no. 231/2001 in respect of administrative liability of the bodies.

### 1.2. The Code of Behaviour: purposes, addressees and structure

The Company adopts this business Code of Behaviour that explains the values to which all its collaborators must adjust, whether they are employees, collaborators or Directors, accepting responsibilities, organisations, roles and rules for the violation of which - even if no third-party business liability derives from it - they are held personally responsible inside and outside the Company.

The knowledge and observance of the Code by all those who work for the Company are primary conditions for its transparency and reputation.

The Code is a requirement and reference both of the *Organisational, management and control model* adopted by the Company pursuant to Italian Legislative Decree no. 231 of 2001 and subsequent amendments, and of the sanction system, supplementing the regulatory framework to which the Company is submitted.

The Code of Behaviour consists of:

- general ethical principles that identify the reference values in company business;
- behaviour principles that provide guidelines and regulations that the addressees of the Code are obliged to observe;
- implementation mechanisms that outline the system for checking whether the Code of Behaviour is correctly applied and continuously improved.

### 1.3. Dissemination and observance of the Code of Behaviour

The Company promotes the knowledge and observance of the Code of Behaviour among all the subjects working in its sphere of activity (e.g. Directors, employees, all collaborators, business and financial partners, consultants, customers and suppliers), requesting them to observe it and specifying, in case of non-observance, appropriate disciplinary measures and/or penalties laid down in contract.

Therefore, such subjects are obliged to know the contents of the Code of Behaviour (by asking for and receiving appropriate clarifications on the interpretations of the contents from the business functions in charge), to observe it and contribute to its implementation, by pointing out any deficiency and violation (or even only attempted violation) which they are informed of.

Moreover, the Company stimulates and encourages the collaboration of employees to enforce, know and implement the Code of Behaviour.

#### **1.4. Relations with public and private subjects**

The behaviour of the Company is directed to the cooperation and confidence towards all public and private subjects (individuals, groups, companies, institutions) that are in contact with the Company for any reason and/or are interested in the activities carried out by the Company.

#### **1.5. Principles of reference**

The Company characterises its own work with the precise observance of laws, market regulations and driving forces of fair competition.

The attainment of the business purposes is pursued by all those who work for the Company with loyalty, seriousness, honesty, competence and transparency, in full compliance with the laws and regulations in force.

Compliance with laws, management transparency and correctness, confidence and cooperation among different subjects are the ethical principles on which the Company is based and from which it derives its own models of behaviour, in order to compete efficaciously and fairly on the market, improve the satisfaction of its customers, increase the value for shareholders and develop the expertise and professional growth of its own human resources.

In particular, the conviction of acting in some way to the advantage of the Company is not a reason to allow

behaviours in contrast with these principles.

All those working in the Company, without distinction or exception, are obliged to observe and enforce these principles within their functions and responsibilities. Such a commitment is justified and requires that also subjects with which the Company has relations for any reason, act towards it with rules and methods based on the same values.

## **2. General principles**

### **2.1. Responsibilities, compliance to laws and regulations**

When carrying out the business mission, the behaviours of all the addressees of the Code must be based on responsibility ethics.

The principle that cannot be renounced by the Company is the observance of laws and regulations in force in Italy and in all the

Countries in which it works and the observance of the democratic order constituted therein, in compliance with the principles established by the Code of Behaviour and with business procedures.

Moral integrity is a constant duty of all those working for the Company and characterises the behaviours of all the organisation.

Directors and employees of the Company, as well as those who work with it for different reasons, are therefore obliged, within their competences, to know and observe the laws and regulations in force, also concerning competition.

Relations with Authorities of all those working for the Company must be characterised by utmost correctness, transparency and collaboration, in full compliance with the laws and regulations and their institutional functions.

Employees must be acquainted with the laws and consequent behaviours; should there be doubts on how to proceed, appropriate information must be requested from the Company.

## **2.2. Models and rules of behaviour**

All the working activities of those working for the Company must be carried out with professional diligence, uprightness and management correctness, also in order to protect the image of the Company. The behaviours and relations of all those who for different reasons work in the interest of the Company - inside and outside the Company - must be based on transparency, correctness and mutual respect. In these circumstances, Managers and Persons in charge must be the first to represent with their work an example for all human resources of the Company, abiding by the principles on which the Code of Behaviour is based, procedures and company regulations, when carrying on their functions, disseminating them among the employees and spurring them to request explanations or updates, if necessary.

The principle of transparency is based on the truthfulness, precision and completeness of the information both outside and inside the Company.

The system for checking and solving claims carried out towards the customers must allow for the information to be supplied by means of a constant and immediate communication, both oral and written.

The principle of correctness implies the respect of rights, also from the point of view of privacy and opportunities, of all the subjects who are involved in their working and professional activity.

This also requires the elimination of any discrimination and of any possible conflict of interest between the employees and the Company.

The principle of efficiency requires that the cost-effectiveness of the management of resources used for supplying the services should be carried out in each working activity and the commitment to offer an appropriate service as to the customer's requirements should be undertaken.

The service-minded principle implies that the behaviour of each addressee of the Code should always be directed towards sharing the *missions* of the Company and of the Group, intended to provide a service of high social value and useful for the community, which must benefit from the best quality standards.

The Company intends to develop the value of competition by adopting principles of correctness, fair competition and transparency towards all the operators present on the market.

When carrying out its business, the Company undertakes to protect the surrounding environment.

Human resources represent an essential factor for Company development. The Company protects and promotes their professional growth in order to increase the wealth of expertise owned.

## **2.3. Corporate Governance**

The *Corporate Governance* system adopted by Lechler ensures the utmost and more equitable collaboration among its components through a harmonious adaptation of different management, guiding and controlling roles.

The system is oriented to ensure a responsible and transparent Company management towards the market, in the prospect of creating value for shareholders and pursuing social and environmental purposes.

The members of the company Bodies must base their activity on the principles of correctness and integrity, refraining from acting in situations of conflict of interest within the activities carried out by them. Moreover, the following is required from them:

- a behaviour based on the principles of autonomy, independence and observance of the guidelines provided by the company in their relations with Public Institutions and with any private subject on behalf of the company.
- the diligent and informed participation in the company business; they are obliged to use the information they become aware of for office reasons in a confidential way and they cannot make use of their position to obtain direct or indirect personal advantages; each communication activity must observe the laws and behaviour practices and must protect confidential information and trade secrets.
- The observance of the regulations in force and of the principles contained in this Code.

The obligation of loyalty and confidentiality bind such subjects also after the termination of the relation with the Company.

According to activities and organisational complexity, Lechler adopts a system of delegations of powers and functions that contemplates, in explicit and specific terms, the assignment of tasks to persons endowed with appropriate skills and expertise.

### **3. Human resources and employment policy**

The Company recognises the value of human resources, the respect of their autonomy and the importance of their participation in the company business.

Honesty, loyalty, capability, professionalism, seriousness, technical preparation and devotion of the personnel are indispensable for achieving the objectives of the Company and represent the characteristics required by the Company from its Directors, employees and collaborators.

In order to contribute towards the development of business objectives and make sure that they are all pursued in compliance with ethical principles and values on which it is based, the company policy intends to select each employee, consultant, collaborator according to the values and characteristics above.

Without prejudice to the obligations deriving from the provisions in force, personnel selection is subject to checking that the candidates fully comply with the professional profiles required by the Company, in compliance with equal opportunities for all the subjects concerned, avoiding favouritisms, nepotisms, any type of patronage system and any facility: during recruitment, salary, promotions or dismissal discrimination based on any ground such as sex, race, nationality, religion, language, trade union or politics as well as any type of favouritism shall be prohibited.

Those who can affect personnel selection do not accept nor consider recommendations, no matter how they are called, regardless of how they are received, in favour of or to the detriment of participants or persons concerned.

The recruitment of ones' own family member, relative, cohabitant or friend must occur in compliance with the regulations and procedures provided and applied on personnel selection and hiring.

Personnel recruitment occurs on the basis of regular employment contracts, since no kind of working relation not in compliance with or avoiding compliance with the provisions in force is allowed.

The management of the employer-employee relationship, pursuing an organisation by objectives, tends to favour the professional growth and expertise of each employee, also in relation with the application of incentive instruments or training plans.

The Company undertakes to create a working environment that guarantees all those who interact with it for any reason conditions respectful of personal dignity, in compliance with the conditions required for the existence of a collaborative and non-hostile working environment, and for preventing any kind of discriminating behaviour.

The maintenance of an atmosphere of mutual respect of the dignity and reputation of everyone requires a joint action by everyone.

In compliance with the Italian law in force (Legislative Decree no. 196 30 June 2003 -*Code of protection of personal data*), the Company is bound to ensure the protection of *privacy* on the information concerning the private life and opinions of each employee and, more in general, of all those interacting with the Company, without disclosing or disseminating, except for law obligations, the relevant personal data without the prior consent of the data subject.

The Company is bound to protect the moral and physical integrity of its employees.

The purpose of quality management system and internal procedures is to ensure a safe and healthy working environment, in full compliance with the regulations in force on industrial accident prevention and workers' safety, and to this end the Company promotes responsible behaviours by all the personnel.

The personnel undertakes to observe the obligations provided by the Code and follows the law when performing its tasks, basing its behaviour on the principles of integrity, correctness, loyalty and good faith.

The employee is obliged to use and take great care of the assets at the employee's disposal for office reasons.

Each employee is directly and personally responsible for the protection and lawful use of the assets and resources entrusted to the employee in order to carry out his/her functions, since the improper use of assets or resources belonging to the Company and to the Group is not allowed.

The Company adopts all the measures required to prevent their improper use in compliance with the laws in force.

Each employee is responsible for the security of the information systems used and is subject to the regulatory provisions in force, on the terms of the license contracts and business internal procedures (e.g. *information policy* document).

Without prejudice to the provisions of civil and penal laws, the improper use of business assets and resources includes their use for purposes other than those concerning the employer-employee relationship or for sending offensive messages or messages that could damage the image of the Company or of the Group.

Each employee is also obliged to supply the required commitment in order to prevent the possible commission of crimes by using information tools.

#### **4. Conflict of interests**

The Company intends to set up a trustworthy relation with its own employees, in which the first duty of the employee is to use the assets of the company and one's own working abilities for fulfilling the company's interest, in compliance with the principles established in the Code of Behaviour representing the values on which the Company is based.

Directors, employees and all collaborators of the Company must avoid any situation and refrain from any activity that could counter a personal interest with the Company's interests, or could interfere with the ability to take decisions, in an impartial and objective way, in the interest of the Company or of the Group, or could contrast the correct fulfillment of one's own tasks or damage the interests and the image of the Company or of the Group.

The occurrence of situations of conflict of interest, apart from being in contrast with law regulations and with the principles established in the Code, is detrimental to the company image and integrity.

Whosoever works for the Company for different reasons (Directors, employees, collaborators, etc.), in case of real or potential situations of conflict of interest, is obliged to inform immediately the Company in the figure of one's own Person in charge.

In order not to run into situations that create or could create a conflict of interest, employees must avoid in particular:

- carrying out activities that imply business relations with the Company or compete with it. Activities also include the activity carried out as Director of partnerships or joint-stock companies, associations or other bodies in general;
- taking on offices of responsibility, collaboration or other, with individuals, companies or organisations with which the Company keeps up business relations or compete with it or have an economic interest in decisions or activities concerning their office;
- signing contracts personally at preferential conditions or accepting preferential treatments from companies or suppliers with which the Company keeps up business relations, unless the same “more favourable conditions” are applied to all employees should they fall within normal business practices/policies;
- carrying out activities that contrast the correct fulfillment of office duties;
- accepting from subjects other than the Company salaries or other benefits for services that they are obliged to supply for carrying out their office duties (it is not allowed to take advantage of the position held in the Company to obtain benefits that are not due).

Whosoever is informed of situations of conflict of interest is obliged to immediately inform the Supervisory Body of the Company.

## **5. Operational procedures, accounting books and entries**

Specific procedures for preventing detrimental events and subsequent potential negative impacts on the Company are based on the Code of Behaviour and are prepared by the Company.

Those who intervene in the operational process must adopt the specific procedures within the terms especially designed and described by the competent functions of the Company and of the Group, formalised in the quality management system or through other tools.

Their correct implementation guarantees the identification of the subjects in charge of the decision-making process, authorisation and carrying out of the operations. To this end, in order to guarantee the principle of segregation of duties, key operations are carried out by different subjects whose competences are clearly defined and known within the organisation, avoiding unlimited and/or excessive powers to single subjects.

Business procedures regulate the carrying out of the main operations and transactions, guaranteeing the evidence of the principles of legality, authorisation, consistency, correct recording and verifiability, also from the point of view of financial resources.

In general terms, each operation must be supported by appropriate, clear and complete documents to be kept among the records, in order to allow at any moment the control over the reasons and characteristics of the operation itself and the specific identification of who authorised, carried out, recorded and checked its different phases.

Directors, employees and all those working for the Company are obliged to strictly observe the provided procedures, especially those within their competences and functions.

Any departure from the procedures and from the Code of Behaviour compromise the trustworthy relation between the Company and those who interact with it for any reason.

Those who are responsible for keeping the accounting books are obliged to make the entries accurately, fully, honestly and clearly and allow verifications by subjects, external or otherwise, in charge of this. Truthfulness, precision, completeness and clearness constitute an essential value for the Company in order to also guarantee shareholders and third parties the possibility of having a clear picture of the economic and financial situation of the Company.

All the actions concerning the company business must be indicated by appropriate entries that allow to verify and check the decision-making process, authorisation and execution (each operation and transaction must be correctly recorded, authorised, verifiable, legal and consistent). Accounting evidences must be based on accurate and verifiable information and must fully comply with internal procedures on accounting.

It shall be prohibited to enter in company accounts false income and expenses or conceal profits.

Each entry must allow to reconstruct the corresponding operation and must be accompanied with proper (complete, clear, true, accurate and valid) documents kept among the records for any appropriate verification. No payment can be assigned, totally or partially, to purposes other than those certified by the supporting documents.

If economic and financial elements are assessed, the related entry shall have to observe the principles of reasonableness and prudence, by explaining clearly the principles that guided the calculation of the value of the asset in the relevant documents .

Whosoever becomes aware of possible omissions, falsifications, irregularities in bookkeeping and basic documents, or of infringements of the principles established by the Code of Behaviour and by business procedures, is obliged to report them immediately to the Supervisory Body.

Such infringements spoil the trustworthy relation with the Company, they are important from a disciplinary viewpoint and shall be properly prosecuted.

## **6. Intra-group relations**

Lechler requests the Group Companies:

- to conform to the values of its Code of Behaviour and to collaborate fairly for the attainment of the business purposes, in compliance with the law and regulations in force;
- not to carry out behaviours that, even if adopted in its own exclusive interest, are detrimental to the integrity or image of one of the companies of the Group;
- to cooperate in the interest of common objectives by fostering communication among the Companies of the Group and spurring and using intra-group synergies;
- that the circulation of information inside the Group, in particular for the purposes of drawing up the consolidated financial statements and other communications, should occur in compliance with the principles of truthfulness, loyalty, correctness, completeness, clarity, transparency, prudence, in compliance with the autonomy of each company and with the specific domains of activity.

## **7. Relations with the outside**

### **7.1 General principles**

The relations (and the related management of financial resources) concerning the activity of the Company with

public officers or public utility service officers (working in behalf of central and local Public Administration, or of legislative bodies, European community institutions, national or foreign State public organisations), the court, public supervisory authorities and other independent Authorities must be carried out and managed in full and strict compliance of the laws and regulations in force, of the principles established by the Code of Behaviour and in business procedures, in such a way as not to compromise the integrity and the reputation of both parties.

In particular, the following operations must be carefully carried out: invitations to tender, contract, authorisations, licences, concessions, applications and/or management and use of financing, however described, of public origin (national, foreign or EC), management of work orders, relations with supervisory authorities or other independent authorities, social-security institutions, tax-collection bodies, bodies of bankruptcy, civil, criminal or administrative proceedings, etc.

During a business negotiation, request or relation with the Public Administration, no action that could offer job and/or business opportunities to the employees of the Public Administration – and which may favour them or others – must be directly or indirectly carried out.

The Company does not favour or discriminate directly or indirectly any political or trade-union organisation.

The Company does not contribute in any way, under any manner, to funding political parties, movements,

committees and political and trade-union organisations, their representatives and candidates, except for those due

according to specific law provisions.

In compliance with the regulations in force of right of assembly, the support of the employee to associations and organisations, whose interests are also indirectly involved by the carrying out of the functions assigned to him/her, must be notified to the Person in charge, who is obliged to inform the Supervisory Body. This provision does not apply to political parties and to trade unions.

The employee does not oblige other colleagues to support the associations to which he/she belongs, nor does he/she induce them to do so by promising career advantages.

In order not to compromise the correct and normal carrying out of production, and without prejudice to what

is provided in the “Workers' Statute of Rights”, the Company does not allow its employees to take part in political activities or

political propaganda in the workplace.

### **7.2. Relations with customers**

The correct and transparent relation with its customers represents an important aspect for the Group.

Contracts and communications with customers must be clear, simple and formulated in a language as close as possible to the language of most of them, thereby enabling the customers to make an informed choice.

The Company undertakes to favour interaction with customers through the management and quick settlement of any claim, by using appropriate communication systems.

The Company protects customer *privacy* according to the current regulations in force, undertaking not to disclose or disseminate the relevant personal, economic and consumption data, except for law obligations.

### **7.3. Relations with suppliers**

The procedures for selecting the supplier must be in compliance with the regulations in force and with the internal procedures provided by the Company and by the Group.

The selection of the supplier and the purchase of the goods and services of any kind must occur in compliance with the principles of competition and on the basis of objective considerations on the competitiveness, quality and price of the supply.

When selecting consultants and/or collaborators, the Company allows for their moral and professional requirements.

When selecting the supplier, the Company must also allow for the ability to ensure the implementation of appropriate business quality systems, availability of means and organisational structures and ability to meet the requirements of confidentiality.

Each selecting procedure must be carried out in compliance with the widest conditions of competition and any possible derogation from this principle must be authorised and justified.

Relations with suppliers, including financial and consultancy contracts, are governed by the regulations of this Code and are constantly and carefully monitored by the Company also from the point of view of consistency of the services or of the goods supplied compared to the agreed consideration.

The company prepares appropriate procedures to ensure utmost transparency of the operations for selecting the supplier and for purchasing goods and services.

Internal procedures (and the delegation system) contemplate the functional separation between the person requesting the supply and the one signing the contract, in addition to an accurate documentation system of the whole selecting and purchasing procedure that allows to reconstruct and verify each operation.

Within the supply activities, the Company undertakes to promote the respect for environmental conditions.

Also by inserting appropriate contractual clauses, the Company may ask the suppliers for an appropriate declaration certifying their accession to specific social obligations and their commitment to avoid the commission of crimes against Public Administration and environmental disasters referable to the activity of the supplier.

### **7.4. Presents, gifts, financial settlements, promise of favours and other benefits**

The Company does not allow all those working in its own interest, in its name or on its behalf to accept, offer or promise, indirectly or otherwise, undue money, gifts, goods, services, benefits or favours (both direct and indirect and also in terms of job opportunities) with reference to relations with public officers, public utility service officers, civil servants or private individuals, customers or suppliers, in order to influence their decisions, in view of more favourable treatments or benefits which were not due or for any other reason.

Gifts and actions of courtesy and hospitality are allowed insofar as, when of low value and in compliance with normal business and courtesy practices, due to their nature and value cannot compromise the integrity, independence and reputation of one of the parties and such that they cannot be interpreted as directed towards the attainment of preferential treatment not determined by market regulations.

No one is allowed to accept or donate money or gifts of equal value (e.g. gift certificates).

Any request or offer (even if not accepted) of money or favours of any kind (including gifts or presents not of low value), which pass over normal courtesy relations, unduly formulated to those, or by those, who work for the Company within the relations with (Italian or foreign) Public Administration or with Italian or foreign private individuals (e.g. customers and suppliers) must be immediately communicated to the Person in charge, who, in turn, will give immediate notice of it to the Top Management with which - after making the appropriate checks - the appropriate actions will be taken to protect the Company and the Supervisory Body will be informed.

### **7.5 Environment policy**

Within its own policies, the company lays down its commitment to environmental protection and sustainable use of resources, with the aim of continually improving and resorting, if possible, to the best technologies available for environmental protection and energy efficiency.

The Company undertakes to manage its activities in full compliance with regulations in force on industrial accident prevention and workers' safety.

### **7.6. Information management**

All those working for any reason on behalf of the Company are obliged to keep strictly confidential all the information learnt in the course of the performance of their duties, in compliance with laws, regulations and circumstances; they are obliged not to disclose or unduly request information on documents, know-how, research projects, business operations and, in general, on all the information learnt due to their working function.

In particular, all information of any kind (technical, business, organisational, etc.) learnt when carrying on or in the course of working activities, whose dissemination and utilisation could cause a danger or damage to the Company and/or an undue advantage to the employee is confidential or secret.

Information concerning employees (e.g. career promotions, salary, personal situations) are also considered confidential.

The violation of confidentiality duties by the employees or collaborators seriously invalidates the trustworthy relation with the Company and can give rise to the application of disciplinary or contractual sanctions.

The duty of confidentiality continues also after the termination of the employer-employee relationship until the use or disclosure of information could affect the interests of the Company, and the employee must do his/her best so that the duties provided by the current regulations on *privacy* are observed.

## **8. Company disclosure**

Within the limits laid down by the regulations in force, the Company provides on a full and timely basis the information, explanations, data and documents requested by shareholders, customers, suppliers, public supervisory authorities, institutions, bodies.

A comprehensive and clear company disclosure is a guarantee of correctness of the relations:

- with shareholders, who must be able to easily access information data, in keeping with the regulations in force;
- with third parties that come in contact with the Company, who must be able to have a representation of the economic and financial situation of the Company;
- with the auditing bodies and internal board of control, which must carry out efficiently the controlling activities;
- with the other Companies of the Group, also for the purposes of drawing up the consolidated financial statements and other communications of the Company.

## **9. Internal Auditing System**

In compliance with the regulations in force and from the point of view of planning and management of company business, directed towards efficiency, correctness, transparency and quality, Lechler implements organisational, management and control models that provide measures meant to guarantee the observance of the law and of the rules of behaviour of the Code, prevent unlawful behaviours, discover and eliminate immediately risk situations.

In order to prevent the risk of committing crimes set forth in Italian Legislative Decree no. 231/2001 and further supplements and amendments, the Company adopts an organisational model that meets the prescriptions of the Decree itself.

Regarding internal audit, Lechler adopts a special system for checking the exact application of the organisational and management models used, the observance of the internal and external regulations, the adequacy of the principles and of the accounting books. This system uses the controlling activity carried out by the operational functions in charge of the audit and by institutional supervisory bodies (Board of Auditors and Auditing company).

The Company promotes and makes constantly sure that the addressees become aware of the Code of Behaviour.

A paper copy of the Code of Behaviour is distributed to all the staff (and later when setting up new employer-employee relationships).

Employees may request advice and explanations on the contents of the Code of Behaviour and of the business procedures and/or on assigned tasks to the Person in charge.

The Board of Directors is responsible for updating the Code of Behaviour in order to adjust it according to any new important regulation and to the development of civil sensitivity. Any modification and/or integration must occur with resolution of the Board of Directors of the Company.

The employer of the Company shall issue directives for the correct application of the Code, as appropriate.

All the subjects concerned, inside or outside the company, are obliged to report immediately, orally or in writing (as to the nature of the violation) and not anonymously any departure from this Code and any request of violation of the same, sent by anyone, to the person in charge and/or to the Supervisory Body.

The Company protects the authors of the reports against possible reprisals they may incur in for having reported wrong behaviours by keeping their identity confidential (except for law obligations).

Authors of clearly groundless reports are subject to the penalties provided by the Sanction system.

## **10 Sanction system**

The observance of the regulations of the Code must be considered as an essential part of the contractual obligations of the employees of the company, pursuant to and for the purposes of the Italian Civil Code.

The serious and persistent breach of the regulations of the Code is prejudicial to the trustworthy relation with the Company and may be considered as non-fulfillment of the obligations deriving from the employer-employee relationship, with all law and contractual consequences, also with reference to its importance as disciplinary offence and/or to the preservation of the employer-employee relationship; as a consequence, disciplinary actions and compensation for damages are contemplated for employees, without prejudice to the observance of the procedures provided by the *Workers' Statute of Rights*, by the applicable collective labour contracts and by the disciplinary codes adopted by the Company.

The sanction system must be in compliance with that is provided by law no. 300/1970, by specific field regulations, if existing, by collective bargaining and by company disciplinary codes.

The term “serious breaches” identifies, for the purposes of this Code, all those persistent behaviours of breach from which derive or could derive penalties to the charge of the Company.

No changes occur to further responsibilities of criminal law, civil and administrative nature that the behaviours against the prescriptions of this Code may constitute for the transgressor.