CODE OF ETHICS
of the
LUCART GROUP

Approved by resolution of the Board of Directors of Lucart S.p.A.
on 28/03/2018
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FOREWORD

This Code of Ethics (also referred to hereinafter as the “Code”) sets out the ethical principles and values adopted by the Personnel¹ of the LUCART GROUP, - meaning Lucart Spa and all Companies directly or indirectly controlled by and/or affiliated to it - in conducting its corporate business and operations (referred to hereinafter in short as the “LUCART GROUP” or the “Group” or the “Companies”)

The Code also sets out the measures which the LUCART GROUP intends to adopt in terms of ethical behaviour in order to bring its organisation into alignment with the requirements of Italian Legislative Decree No. 231/2001 (also referred to hereinafter as the “Decree”) and to establish the courses of conduct internal and external to the Company to be followed in achieving corporate objectives. The main elements of this Code are, therefore, an integral part of the Company’s organisation, management and control structure as specified in Articles 6 and 7 of Legislative Decree No. 231/2001.

The Code of Ethics comprises:

- **general principles** or those values deemed to be fundamental, shared and recognised by the Companies belonging to the Group, in confirmation of its mission, which the various parties involved are required to apply in order to promote the smooth running, reliability and reputation of the LUCART GROUP;

- **conduct criteria**: these provide the guidelines and standards to which Company Personnel are required to adhere in compliance with the general principles and to prevent the risk of unethical behaviour;

- **implementation methods**: these describe the system for monitoring compliance with the Code and its continuous improvement.

¹ Personnel shall mean the directors, employees and persons who represent the Group to third parties under specifics mandates or authorities.
The LUCART GROUP confirms – including through this document – its wish to follow a new behavioural model, in order to respond to the challenges posed by today’s society and global markets.

Company Personnel undertake, therefore, to comply with the principles and provisions of this Code and whatever other ethical behaviour policies are adopted by the LUCART GROUP.

In providing for adequate information, prevention and monitoring tools, the Company ensures the transparency of the conduct pursued, intervening where necessary to suppress any breaches of the Code, and will monitor the effective compliance with it.

The Code of Ethics sets out the ethical behaviour which directs and guides those who are involved, in various roles, in conducting the Company’s corporate business and operations, with respect to shareholders, employees, personnel, external consultants, suppliers, customers, agencies, local authorities, institutions and other parties. Parties which together are defined by the term stakeholders, insofar as they have legitimate interests in the LUCART GROUP’s activities.

ADDRESSEES OF THE CODE

The Addressees of this Code (hereinafter also referred to as the “Addressees”) are:

i. the members of the Board of Directors/Sole Directors of the Companies belonging to the Group (hereinafter, the “Board/Sole Director”);

ii. the corporate monitoring bodies (Board of Auditors, Audit Firms and other similar bodies monitoring Group Companies);

iii. employees on permanent or fixed-term contracts;

iv. external personnel;

v. all other third parties with whom the LUCART GROUP has a contractual relationship in order to achieve its business objectives, which consist of the provision of services, including on a temporary basis, or the conduct of
operations on behalf of or for the account of the companies, such as to create a relationship of trust with the latter.

The Senior Management of the Companies\(^2\) undertake with respect to the Addressees:

- to provide adequate training and awareness programmes on the content of the Code;
- to ensure timely dissemination by sending a copy of the Code to all staff in such a way as to provide proof of prior knowledge, with corresponding acknowledgement of receipt and simultaneous undertaking to comply with it, as well as publication of it on the Company’s website;
- to ensure the periodic review and updating of the Code in order to adapt it to any changes in the organisational and management structure of the Group, to developments in social awareness, environmental conditions and regulations;
- to adopt suitable preventive measures and apply appropriate sanctions and ensure their timely implementation in the event of proven breaches of the provisions of the Code.

Finally, as the Code is an integral part of the employment relationship, the employees of the Companies in the Group undertake to act and behave in line with the provisions of this document, to notify any breaches as soon as they become aware of them and to cooperate in compliance with internal procedures established to implement the Code.

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\(^2\) The Senior Management of the Company shall mean the Board of Directors, the Department Managers of all Companies belonging to the Group as per the attached “Group Organigram” (ANNEX 1).
GENERAL PRINCIPLES

Safety, protection of health and working conditions

The Group undertakes to act scrupulously in compliance with the applicable regulations on health and safety at work and to promote their application within the company.

The LUCART GROUP also undertakes to spread and consolidate a safety culture by development of a greater awareness of the risks and promoting responsible conduct on the part of all employees.

The Group Companies constantly monitor the premises and associated plant that they own or lease or are under their control in whatever manner, even beyond the legal obligations and the prevention of risks deemed imminent, in order to ensure greater levels of health and safety in the work environment.

The LUCART GROUP is constantly engaged in studying, developing and implementing strategies, policies and operational plans designed to prevent and overcome any negligent or intentional behaviour that could cause direct and indirect damage to the employees and the tangible and intangible resources of the Companies in the Group.

All employees are required to contributed actively to the maintenance of the highest corporate safety standards, by refraining from unlawful or otherwise dangerous behaviour; they have an obligation in any context that requires particular attention to their personal safety, to comply scrupulously with internal procedures, by refraining from behaviour which could put their own safety or that of others at risk and notifying any situation dangerous to their own safety or that of others in the manner provided for in internal procedures.

The Safety and Preventive measures adopted by the Group in relation to workplace Health and Safety are, therefore, primary obligations on the Personal who participate actively in their application, management, maintenance and improvement, by undertaking to assume full responsibility, aware of the consequences for people and the business resulting from failure to comply with the relevant obligations and associated internal procedures.
LUCART GROUP Personnel shall ensure maximum collaboration with and availability to the Prevention and Protection Department Manager (hereinafter also the PPDM) and towards anyone carrying out inspections and checks on behalf of any public body with responsibility in this field.

Where Group Personnel encounter anomalies or irregularities in this area, they shall immediately inform the employer or, if applicable, the employer’s health and safety officer as defined in Art. 16 of Legislative Decree No. 81/2008, as well as the PPDM or the department responsible for workplace health and safety as identified in relation to the regulations in force in the country in which the Lucart Group Company has its registered office.

**Corporate social responsibility**

The Group is committed to the socially responsible conduct of business activities based not only on what is required by law, but also on behaviour which as a rule is expected to be ethically legitimate; this translates into the adoption of corporate policy which is able to reconcile financial targets with the social and environmental objectives in the territory in question, with a view to future sustainability.

**Integrity, honesty and propriety**

The Group establishes relations with stakeholders in compliance with the rules of propriety, loyalty, collaboration and mutual respect. Pursuit of the Group’s interests cannot in any circumstances justify dishonest conduct. LUCART GROUP Personnel must not accept presents, gifts or benefits or be influenced by pressure of any type that directs their conduct towards external interests.

**Respect for human dignity and equal opportunities**

The LUCART GROUP respects basic human rights by protecting moral integrity and ensuring equality of opportunity.

Conduct, which has a discriminatory content based on race, religious belief, age, state of health, political opinions, trade union opinions, nationality, sexual
orientation and in general any characteristic personal to the human individual, is not permitted in internal or external relations. The Group also ensures working conditions that comply with the behavioural rules of common courtesy. Moreover, it acts to ensure that instances of intimidation, mobbing or stalking do not occur within the work environment.

**Legality**
In conducting its business, the LUCART GROUP acts in compliance with the law and regulations in force in the territories where it operates, the Code of Ethics and the company’s internal rules.

**Confidentiality**
The Personnel of the Group Companies undertake to treat all information acquired in carrying out their work as confidential and, therefore, not to disclose it except within the limits of the use of such information in the conduct of business. The LUCART GROUP also requires that they do not use the information thus obtained for their own interests in order to obtain undue advantage in a manner contrary to the law or such as to cause damage to the Group’s rights, assets or objectives.

**Transparency**
LUCART GROUP Personnel are required to provide transparent, accurate, complete and understandable information such that in establishing relations with Group Companies, stakeholders are able to take independent decisions aware of the interests involved, the alternatives and the associated consequences. In particular, in drawing up contracts, the LUCART GROUP must specify clearly and comprehensibly to the contracting party the conduct to be maintained in all foreseen circumstances.

**Commitment to sustainable development**
The LUCART GROUP undertakes to act in compliance with the regulations in force, using the best technology available in order to promote and plan the development of its business such as to optimise the use of natural resources, protect the environment now and for future generations and support widespread environmental conservation initiatives. 

The LUCART GROUP shall conduct its business and make associated investments in a socially responsible manner from an environmental point of view, ensuring full and exhaustive communication with the community in full compliance with the Consolidated Environmental Protection Act in force (Legislative Decree 152/2006) and the regulations applicable in this area in the Country to which the Group Company belongs. 

Environmental protection is considered a primary objective of the Group and is, therefore, pursued starting from the individual behaviour of those who work for the LUCART GROUP, who are given the fullest information and instructions required in relation to “energy saving”, “waste management” and recyclable materials.

**Individual and team work**

Work must be based on relationships of trust and collaboration in compliance with the company’s guidelines and in terms of relations between colleagues. Team work is encouraged. Personal interests must not conflict with corporate objectives.

The LUCART GROUP considers its human resources to be its main capital and consequently invests in continuous staff training, the promotion of professional attitudes and the professional development of each member of staff based solely on merit, while also ensuring individual involvement and responsibility in terms of the specific objectives to be achieved and the means to pursue them.

**CONDUCT CRITERIA**

a. Criteria for conduct in relations with shareholders and in accountancy matters
Anti-money laundering

The LUCART GROUP undertakes to ensure that its economic and financial operations do not become an instrument which can facilitate, even potentially, illegal activities or criminal and terrorist organisations. The Group applies national and international anti-money laundering regulations. The LUCART GROUP, therefore, checks with the utmost diligence the information available on its commercial counterparties, suppliers, partners and consultants in order to verify their respectability and legitimacy before embarking on business relationships with them. The Group also checks that the transactions to which it is party do not, even if only potentially, present the risk of facilitating the receipt, substitution or use of money or goods deriving from criminal activities.

Respectability of counterparties

Before embarking on business relationships or entering into contracts with suppliers other than on a one-off basis, Addressees must assure themselves that such suppliers have a respectable reputation, that they are engaged only in lawful activities and that they adhere to ethical principles equivalent to those of the LUCART GROUP.

Interviews

If someone outside the Group, such as the media, financial analysts or investors should directly or indirectly or through another party ask questions regarding the LUCART GROUP, it is appropriate not to respond unless authorised to do so. Except in the case of requests for financial information in the public domain, strict compliance with this requirement is essential insofar as an inappropriate or incorrect response or a denial or repudiation of information could have negatives effects for the Group.
Financial statements (to be understood as accounts and communications on profits and assets)

The Companies in the Group undertake to comply with all regulations regarding the preparation of financial statements. All Addressees involved in the preparation of financial statements must ensure that there are no inaccuracies which could prevent the correct representation of reality in the context of the Company’s financial statements. In order to ensure high quality in the communication of financial information, any misconduct on the part of Addressees involved in the preparation of the Company’s financial statements, any real or apparent conflict of interests involving such persons and any failure to comply with the ethical rules applicable to such persons must be referred to the line manager.

Internal controls

The Group encourages a focus on sound economic criteria at every level. A positive attitude towards controls contributes significantly to improving business efficiency.

Internal controls are all to tools used by the Group in order to direct, manage and check the company’s activities with the aim of ensuring compliance with the law and the company’s procedures, protecting the Group’s assets, managing the business efficiently and providing accurate and complete accounting and financial data.

The Lucart Group pursues the objective of efficiency and effectiveness in internal controls, thus providing an advanced system of integrated management of the business processes in terms of computerised information (so-called Enterprise Resource Planning - ERP), with a view to the updating and continuous improvement of the business processes in question (i.e. procurement, production, warehousing, sales, accountancy, personnel, etc.).

Every level in the organisation is tasked with contributing to creating an effective and efficient internal control system and thus with participating actively in the
implementation, management, maintenance and improvement of the corporate ERP.

For this reason, therefore, all employees of the Companies are responsible, within the scope of their work and associated tasks, for the proper functioning of the internal control system.

The Companies in the Group shall ensure that the corporate bodies vested with control powers have free access to the data, documentation and any information necessary to fulfil their role.

Addressees are required to cooperate fully with the holder of control powers; actions that obstruct the control function carried out by institutional bodies and/or internal bodies tasked with this function are prohibited.

The accuracy and retention of company documents

All Addressees have a duty to document and report all information relating to the management of the company in a true and accurate manner. The rule concerns inter alia information on job applications and on the record of hours worked, entertainment expenses, production data, sales and commercial and/or marketing activities. The falsification or alteration of such documents or the conscious approval of false documentation shall have serious implications for the person(s) concerned.

Corporate documentation must exactly reflect the facts on the management of the Company and must be drawn up in accordance with the criteria specified by law and the applicable and generally accepted accounting principles. Deliberately hiding or concealing and/or omitting to point out any fact about the company recorded in the books is prohibited; the same applies to any other LUCART GROUP documentation capable of influencing the representation of the Group’s financial position.

No employee or person working for the company may make payments in the interests of or for the account of the Group Company without adequate supporting documentation and formal authorisation.
It is strictly forbidden to set up and/or hold hidden funds and reserves. The LUCART GROUP encourages the development of production and updating programmes in order to keep Addressees which are responsible for the production and management of accounting documentation abreast of the regulations (including laws on the retention of mandatory documents and books, regulations, internal requirements, provisions of trade associations). Addressees must ensure that the Companies’ information is used appropriately. The documentation must be kept in accordance with the provisions of the laws and regulations in force and destroyed in accordance with the LUCART Group rules for the retention/disposing of documents. Documents which are no longer to be retained under the rules on the retention/disposing of documents must be destroyed or disposed of definitively. Addressees must refer to their line managers regarding the practice for the retention of documentation in their sector. It is necessary to contact the above persons if they become aware or are notified of an investigation. For defence reasons, all documents which may relate to the investigation or other documents notified in the course of investigations or subsequently in the course of any legal proceedings must be retained, irrespective of the rules on document retention. Any request regarding the relevance of a document to criminal proceedings in progress or concluded must be referred to the above persons.

**Transparency of accounting records**

Accounting transparency is based on the accuracy, truthfulness and completeness of the basic information in the relevant accounting records. All elements of the corporate bodies and the management and all employees are required to cooperate, within the scope of their function, in order to ensure that management information is recorded in the books correctly and in due time. All operations and transactions must be authorised, verifiable, lawful, consistent, coherent and identified and recorded correctly and in due time in the
corporate accounting system in accordance with the criteria required by law and on the basis of the applicable accounting policies.
Actions which may prejudice the transparency and traceability of balance sheet information are prohibited.
Adequate supporting documentation is to be retained in the files for all transactions carried out such as to enable:
- smooth, timely recording in the accounts;
- timely identification of the nature and reasons on which they are based;
- identification of the different levels of responsibility and division and separation of tasks;
- an accurate reconstruction of the transaction in order to reduce the probability of errors of both fact and interpretation.
Employees and those working for the company – in the latter case to the extent that this involves them – who become aware of omissions, falsifications or negligence in the accounts or the documentation on which the accounting records are based, are required to inform the body above them or the body to which they belong of the facts.

b. Criteria for conduct in relations between personnel and the Company

Confidential information
In the context of their obligation to the Group, all Addressees must protect the LUCART GROUP’s confidential information and only use it within the Group exclusively in the interests of the Group. The term “confidential information” means information relating to both the Company’s current and planned business which is not in the public domain and which, if used or made public wrongfully, could benefit third parties financially and cause unfair damage to the Group.
Confidential information may be, by way of example but not necessarily, commercial secrets and know-how, non-disclosure contracts/agreements, inventions, marketing and sales campaigns and strategies, information on customers and suppliers, pricing and procurement strategies, financial data,
production processes and techniques, computer software, data, formulae, compositions, techniques, records relating to services and new products. Information from third parties entrusted to the Group is also to be treated as confidential.

All confidential information is the property of the LUCART GROUP (and/or those granted use of its intellectual property) and must not be used except in pursuit of the company’s interests.

In particular, Addressees who are in possession of or have access to confidential information must:

- not disclose such information to persons outside the Group Company. For this reason, they must not discuss such confidential information with family members, business associates or acquaintances or in public places including taxis, lifts and restaurants;
- not use the information for their own benefit or that of persons outside the Group Company;
- ensure that confidential information can only be accessed using a password or alternatively is kept in a secure place and under the strict supervision of the Addressees responsible when using it;
- not disclose confidential information to other Addressees unless this is essential for pursuit of the company’s objectives.

The obligation to treat all information as confidential does not end with termination of the relationship with the Group Company. The prohibition on communicating confidential information to a new employer or other persons continues even after termination of the working relationship.

On termination of the relationship, Addressees have an obligation to send their line manager all documents and other material containing confidential information on any Companies in the LUCART GROUP. Failure to comply with this confidentiality obligation shall have serious implication for the person concerned. In addition to protecting its own confidential information, the Group undertakes to respect other parties’ confidential information.
Consultancies and professional services
Consultants and external temporary staff and suppliers have a duty to comply with the same standards of behaviour as LUCART GROUP employees when conducting business with or on behalf of one or more Group Companies. No employee is permitted, including indirectly through third parties, to do anything that is not allowed under company policy. Anyone acting on behalf of or for the account of one or more Group Companies is required to maintain and protect the LUCART GROUP’s image of professionalism, respectability and propriety.

Protection of privacy
The Company protects the privacy of Addressees through the adoption of the most appropriate security precautions and measures in relation to the processing of personal and/or sensitive data collected from time to time from Addressees. In accordance with the applicable legislation, any investigation of Addressees' opinions, preferences, personal tastes and private life in general is prohibited. It is also not permitted – except in cases provided for by law – to communicate/disclose personal data without the consent of the data subject; rules are therefore necessary to enable the privacy policy to be monitored by all Addressees. If actions occur that are deemed not to comply with the privacy policy or other policies in this area adopted by the Group or with security standards, these must be reported immediately to the line manager or the controller responsible for the processing of personal data.

Use of psychoactive substances and alcohol
All Addressees must contribute personally to promoting and maintaining a climate of mutual respect in the workplace. Being found or being under the effects of alcohol, psychoactive substances or substances having a similar effect while working or in the workplace shall be
considered as conscious assumption of the risk of prejudicing such an environment.

**Conflict of interests**

Addressees of the Code must ensure that all business decisions are taken in the interests of the Company. They must, therefore, avoid situations in which there is a conflict of interests between personal or family financial activities and work done for Group Companies, which could impair their independent judgement and choice.

If Addressees find themselves in a situation which may, even potentially, constitute or create a conflict of interests, they must notify their line manager of this in writing in a timely manner.

In the case of a possible conflict of interests, it is necessary in the first instance to submit a full report in a timely manner to the line manager.

In addition, with particular reference to employees, no employee may profit from opportunities which arise as a result of use of the assets, information in their possession or their own position in the Group Company and no employee may undertake any activity whatsoever which is in competition with the LUCART GROUP.

Merely by way of example and not exhaustively, the following situations may represent a conflict of interests:

- having economic and financial interests (including through family) with suppliers, customers or competitors;
- accepting presents, money, gifts or favours of any type from individuals, companies or agencies which are in or intend to enter a business relationship with Group Companies;
- using their own position in the company or the information acquired in the course of their work which may create a conflict between their own interests and those of the company.
Computers and communication tools
All Addressees are required to take the necessary steps to ensure the security of their computers and voicemails or passwords. They must comply with the following rules on using passwords:

- ensure that they choose a password that is not predictable, for example not their first name or last name;
- ensure that they change their password at least once every three months;
- do not give their password to anyone inside or outside the Company, or write it down or make it accessible to others.

All sensitive, confidential or restricted information held electronically must be protected by a password. If for whatever reason it is thought that a password or the security of the company’s computer or communication tools, including computers, voicemail or email, is at risk the password must be changed immediately and the occurrence notified to the line manager.

LUCART GROUP resources must not be used for illegal purposes, to cause trouble or in a manner offensive to others.

When sending an email or other recorded message, it is appropriate not to make comments or to use language, images or other types of record which could cause embarrassment if read by third parties. It should be remembered that “private” emails can be easily forwarded to a wide audience and once sent cannot be recalled.

The use of computers and communication tools must be in line with company policies and with privacy regulations with respect to copyright and intellectual property rights and to trademarks, patents and trade secrets.

Recruitment and induction of staff
Staff are recruited in response, on the one hand, to the need to acquire on the market skills and professional competencies not present in the company and, on the other hand, to the requirement to invest in young people in order to ensure the growth and development of Group Companies.
The development of human resources is a primary aim of the LUCART GROUP. Appropriate measures are, therefore, taken to avoid favouritism and preferential treatment of any sort in selecting candidates for recruitment, by assessing the attitudes and abilities of the candidates in terms of the profile of the role to be filled. Notwithstanding the powers vested in this respect in the Managing Director, the search for and selection of staff to be recruited are assigned to various department managers and are performed in compliance with the candidates’ privacy rights based solely on the criteria of objectivity and transparency, ensuring equality of opportunity and avoiding any favouritism. All staff are recruited under a regular employment contract in compliance with the legislation applicable in the place of recruitment; any form of illegal labour is prohibited and will not be tolerated. On recruitment and during the initial period of induction into the company, all Personnel shall be given precise information with particular reference to the regulations governing their employment, the standards and preventive procedures relating to workplace health and safety, the company’s policies and the provision of this Code, in order to ensure immediate familiarisation and provide for more rapid integration into the life and culture of the Company.

**Use and protection of company property**

All employees have a duty to act with diligence in order to protect company property through responsible behaviour in line with the operating procedures governing its use and documenting this precisely. In particular, all LUCART GROUP employees must:

- use the property entrusted to them reasonably and with respect;
- avoid the improper use of company property which may cause damage or reduce its efficiency, or is in any event in conflict with the Company’s interests;
- obtain the necessary permission in the event of use of the property outside company premises.

All necessary precautions must be taken against the theft, damage and misuse of Company property.

c. Criteria for conduct in relations with the community

Subsidies and sponsored trips
In the normal course of business, it is natural that the LUCART GROUP should promote itself and its products and engage in promoting the development of the sector in which it operates, by providing subsidies, sponsoring events or arranging trips for current or potential customers and bearing the costs of these. Such costs and expenses must be examined in advance in order to determine whether they comply with this Code, the Decree, the other legislation in force and the Company's policies in this area. Any doubts in this respect must be submitted for initial examination by the Board/Sole Director of the Group Company.

Entertainment expenses
Expenses incurred such as meals, travel costs and entertainment offered to third parties shall be at fair and reasonable value and shall be for justified commercial reasons. All expenses shall be incurred in compliance with the legislation in force and with the policies of the Group in this area.

Relations with public authorities
Relations between Group Companies and the public authorities, public officials, civil servants or public agents must be based on the strictest compliance with the applicable laws and regulations and the specific policies approved by the Group and must not in any way compromise the integrity and image of the LUCART GROUP.
The performing of tasks and managing of relations of whatever type with the public authorities, public officials or civil servants are the exclusive preserve of the company functions assigned thereto and authorised personnel.
It is expressly forbidden to give or promise any money or other benefit given for illegal purposes or in order to obtain advantage.
This line of conduct applies not only to direct payments and/or promises but also to indirect ones in whatever form, including through consultants or third parties. If in doubt, Addressees must refer to their line manager.

Relations with judicial authorities
In the case of involvement in judicial proceedings (administrative, civil, criminal or fiscal), the LUCART GROUP undertakes to act in compliance with the law and the provisions of this Code of Ethics.
It is forbidden in particular for corporate bodies and employees with authority to represent the Group Company or Companies in judicial proceedings to promise or give money or other benefits to magistrates, judges, court officers and witnesses in order to influence the outcome of the proceedings in favour of the LUCART GROUP.

Gifts and benefits
It is expressly prohibited to give any form of gift which may alone be interpreted as exceeding normal commercial practice or courtesy (it should not exceed the maximum acknowledged value or not be greater than 150 euros) or is in any way directed at obtaining favourable treatment in the conduct of any operations that can be linked to the LUCART GROUP.
In particular, it is prohibited to give any form of gift exceeding the moderate value specified above to public officials or their family or to private individuals dealing with the Group Company or Companies (customers, suppliers, bank officers, etc.).
This rule of conduct applies both to gifts promised and given and to those received. It should be noted that gift is understood to mean any type of benefit
(discounts outside the Company’s commercial practices, promise of an offer of work, etc.).

In all cases, the LUCART GROUP does not engage in practices not permitted by law, commercial custom and practice or the codes of ethics of the companies or agencies with which it has relations.

d. Criteria for conduct in relations with suppliers and consultants

The Group undertakes to look for appropriate professionalism in suppliers and external contractors who share the principles and content of the Code and to promote the building of lasting relationships in order to ensure the progressive improvement in performance in the protection and promotion of the principles and content of the Code.

In relationships involving procurement, the supply of goods and collaboration with external parties (including consultants, agents, etc.), Addressees shall have a duty to:

- obtain the cooperation of suppliers and external contractors in order to ensure that the requirements of customers and consumers are satisfied at all times in line with their legitimate expectations in terms of quality, cost and delivery times;
- comply with internal procedures for the choice and management of relations with suppliers and external contractors and not preclude any party in possession of the necessary requirements from the possibility of competing for the award of a supply contract with the Group Company; apply only objective assessment criteria to selection in accordance with stated, transparent methods;
- comply with and require compliance with the contract terms and conditions stipulated;
- maintain a free and open dialogue with suppliers and external contractors in line with good commercial practice;
- refer potential breaches of the Code in a timely manner to their line manager and the supervisory body – if there is one.

The amount to be paid must solely be commensurate with the service specified in the contract and payments may not be made on terms and by methods other than those detailed in the contract.

All suppliers and consultants shall be paid by cheque, bank order or bank transfer to a current account in the contractor’s name.

**IMPLEMENTATION OF THE CODE OF ETHICS**

**Contractual value of the Code**

Compliance with the Code, taken as a whole and together with compliance with the implementing procedures approved by the Group, must be considered as an integral part of existing Employment Contracts and those to be concluded with the Group Company.

Breach of these provisions shall, therefore, constitute a disciplinary offence and as such may be prosecuted and penalised by the Company pursuant to the applicable national regulations; such offence may involve, inter alia, compensating the Company for damage caused.

Group Companies shall also provide for distribution of the Code to parties who are not employees but have a collaborative relationship with the Company, consultants, agents, commercial representatives and others who provide an ongoing or occasional professional service without being employees (including parties who act for suppliers and partners including in the form of temporary companies and joint ventures) (hereinafter in short “Third Parties”).

Specific clauses are inserted into the contracts in question providing for: (a) information to Third Parties of the adoption by the LUCART GROUP of the Code of Ethics, which the former acknowledge that they have seen and undertake not to act in a way that could constitute a breach of the laws and regulations applicable from time to time; (b) the Company’s right to terminate
the relationship or cancel the contract in the event of failure to comply with such obligations.

**Oversight of the Code**

The **Board of Directors/Sole Director** acts as “Guarantor” of the Code of Ethics.

**Values and operating principles**

Implementation of this Code of Ethics is based on the following values and operating principles which characterise the Company.

**Values:**

- The **CENTRALITY of the INDIVIDUAL** – is a principle sanctioned by the Italian Constitution and affirmed by the European Constitution; it is the value that guides the LUCART GROUP in how it does business: central to our conduct at all times is respect for the dignity of the individual; central to our business are our people, our “team”, a highly skilled, responsible, steadfast and determined team, reliable and punctual, respectful of the individual, our manufacturing and commercial partners and everyone else who contributes in various ways to our business operations.

- **INTEGRITY** – we believe in the ethical values of professionalism and transparency which must be ingrained in the organisation and must be applied in all departments – from production to sales; from research and development to administration; from regulatory activities to procurement – and at all levels in the company, in relations with suppliers and with customers; with the Agencies, the Region and the Authorities.

- **WIDESPREAD RESPONSIBILITY** – we are conscious of our responsibility in conducting business individually and collectively and of exercising it in our daily conduct at all levels: from the outset we have combined the achievement of economic objectives with protection of the environment.
and the territory in which we operate and with care and respect for our staff, users and society.

- COMPETENCE and TEAMWORK – we have established our corporate culture in terms to competence and quality, investing and continuing to invest consistently over time large resources in education and training in order to enhance our internal skills on an ongoing basis, focusing on merit and excellence with a view to continuous learning and improvement; we are conscious that only a combination of the skills and talents of everyone with the ability to work together – and thus work as a team – can ensure that we achieve our business objectives; we believe that only a team with excellent skills working together, a team that is close-knit and reliable, punctual and flexible, precise and attentive, can ensure continued development and sustainable growth: the LUCART GROUP team exactly.

**Operating principles**

- actions consistent with the corporate values;
- internal and external communication that is constructive, transparent, direct, honest and timely;
- proactive and open participation in group and team work, without prejudices or preconceptions;
- business operations based on trust and cohesiveness, on the recognition and valuing of individual merit, on learning and the continuous enhancement of skills, focused on excellence both in the technical sphere and in the relations between people and the ways of conducting business;
- definition of reasonably ambitious objectives and results, thinking unconventionally, conscious of the need to rise to and increasingly overcome the challenges presented by the constant changes imposed by modern society in general and global markets, aware of the inevitable difficulties, but sustained by the solidity and excellence of the skills built up day after day through hard work, tenacity and perseverance, and by the strength of “being and forming a team”, at all times.
Common commitments
It is the LUCART GROUP’s corporate policy to comply with the laws and regulations applicable in the sector to which it belongs. No action which breaches laws or regulations is to be undertaken in the name of the Group. All Addressees must adhere to the legal and ethical principles that apply to the company’s business operations and in the event of doubt as to the appropriateness of proposed conduct can refer to their line manager in order to obtain an opinion on whether their action complies with the rules set out in this Code.
Group Companies have an obligation to act with integrity and to manage their business in line with the highest ethical standards.
Everyone must undertake to interact with propriety with customers, suppliers, competitors and work colleagues.
There must be no attempt to achieve positions of superiority in work relationships through manipulation, the concealment or abuse of privileged information or any distortion of material facts.
Everyone must have a fair, collaborative and constructive attitude towards all others.
This Code contains rules on both personal and professional conduct, and signing such Code does not in any way imply the conclusion of an employment contract or the guarantee of a permanent job.

Rules of conduct for Senior Management
The members of the Board of Directors / the Sole Directors, the Company’s Department managers and the members of the Board of Auditors are required to comply with this Code and to apply the values of honesty, loyalty, correctness and integrity to their actions, consciously sharing the Group’s objectives.
Members of the Board / Sole Directors are responsible for ensuring implementation of the principles contained in this Code and strengthening the trust and cohesion that underpins the company’s business operations.
To this end, the Board of Directors / Sole Director also apply the values expressed in the Code in setting the business objectives. The Board / Sole Director acts in full awareness of the need to interpret precisely the principles expressed in this Code of Ethics.

**Obligations on Department Managers**

All company Department Managers have an obligation to:

a) serve as an example to their subordinates through their own conduct;
b) ensure that their subordinates comply with the Code;
c) ensure that employees understand that compliance with the provisions of the Code constitutes an integral and substantial part of their job;
d) choose employees and contractors who guarantee compliance with the principles of the Code;
e) prevent any form of retribution within their department against workers and contractors who have cooperated in compliance with or implementation of the Code.

**Obligations on employees**

All employees are required to familiarise themselves with the provisions of the Code and the reference legislation which governs activities within the scope of their job.

Employees have an obligation to:

a) comply with the Code and refrain from behaviour contrary to its provisions and standards;
b) in the event of doubt, refer to their line manager for the necessary clarifications on the methods of applying the Code and the reference legislation;
c) refer any information on possible breaches of the Code to their line manager in a timely manner, except where the irregularities involve the latter; in this case, the information must be referred to the superiors of the “line manager” involved.
d) cooperate with the Company in investigations aimed at verifying and potentially penalising possible breaches.

Employees are not permitted to conduct investigations themselves into alleged misconduct and are required to refer the information in their possession in relation to such conduct to their line managers.

The term “line manager” means the person formally above them in the hierarchy insofar as such person is charged with or otherwise authorised to supervise and/or control their activities.

**Notification of a breach and request for advice**

Addressees of the provisions in this Code are required to refer to the Supervisory Body (if there is one and it is as specified in Legislative Decree 231 of 2001 or the legislation in force in the reference country – hereinafter the SB) or to their line manager any behaviour which is, even if only potentially, in conflict with the provisions of this Code.

No one shall be subject to retribution for having notified a justified suspected breach of these rules.

If during the conduct of business operations, doubts emerge as to whether a type of behaviour complies with this Code or other ethical behaviour policies adopted by the Company, Addressees are required to contact the SB or their line manager. Everyone is individually responsible for the application of these rules and no one is required to “apply them alone”.

All Addressees of this Code of Ethics can notify in writing through protected information channels any breach or suspected breach of the Code of Ethics of Professional Conduct: notifications can also be anonymous but all of them will be assessed by the bodies responsible which, in guaranteeing anonymity to the person making the notification, will judge on a case by case basis whether it is appropriate to institute an investigation given the actual circumstances.

The confidentiality of the person making the notification is assured, subject to legal obligations.
Liability
A fundamental condition of working with the LUCART GROUP is to maintain behaviour that complies with all the legal requirements and key principles included in this document. Failure to comply with these rules of conduct may justify disciplinary action based on the provisions of the relevant section of this Code, up to and including possible dismissal.
This is without prejudice to the civil or criminal liability of the Addressees for behaviour in breach of the requirements of this Code.
If a Group Company receives notification of alleged breaches, it shall assess these based on relevance in terms of the seriousness of the action and the circumstances which led to infringement of these or of company procedures; the Company must take into consideration the employee’s length of service, behaviour and contribution to the company. Disciplinary measures may comprise temporary suspension of salary or service, or dismissal. Moreover, if the Company suffers a loss in terms of assets it may take legal action for compensation for damages against the person responsible.
The Company shall cooperate with the authorities responsible where laws have been broken and, if it considers it appropriate, shall notify the said authorities directly of the breaches in question.

Investigation of breaches
All notifications of breaches shall immediately be subject to investigation and treated with the utmost discretion; in particular, where employees are concerned, the investigations shall be carried out in accordance with the provisions of the law and collective bargaining agreement on disciplinary proceedings (cf. the relevant section of this Code).
The person who notified the breach is not permitted to carry out their own preliminary investigation. Investigations into alleged breaches may give rise to complex legal problems; acting on their own initiative may compromise the
integrity of the investigation and have negative consequences for the employee and the Group Company.
All notifications relating to possible breaches of this Code or refusal to apply it or other policies adopted by the Company in relation to ethical behaviour must be made to line managers.

**No retribution**
The LUCART GROUP shall take the steps necessary to investigate any breaches of the law or company policies.
Group Companies require their employees to behave with propriety and in good faith with regard to the notification of any breaches of the law or company policies: retribution will not be tolerated against employees who have made a verbal report relating to a breach in good faith or who have participated in the investigation of an alleged breach.

**Application of the Code and disciplinary consequences**
Any breaches of this Code could have serious repercussions on the Company or the Group.
All employees must, therefore, notify their line manager promptly or the SB, if there is one, of any activity of which they are aware which constitutes or may constitute a breach of the rules of conduct or the values expressed in them.
Breaches of the rules of conduct in this code may result in disciplinary measures in accordance with the law, the National Collective Bargaining Agreement hereinafter the “NCBA”, or the legislation applicable to the sector in the country in question and the Code itself.
Once a possible breach of this Code or other policies adopted by the LUCART GROUP has been identified, the Company shall institute disciplinary proceedings against the employee in accordance with the methods and terms of the legislation applicable to the sector in the country to which the Company belongs.
In particular, disciplinary breaches of the NCBA and any company regulations and of the Code of Ethics may be punished, taking into account the seriousness of the failings, as described in the relevant section of the Organisational Model. Without prejudice to the provisions of the section on the “Contractual value of the Code”, signature or other adherence to the provisions, or to some of them, and the principles set out in this Code by third parties with whom the Company has a relationship of collaboration, professional consultancy or commercial partnership is a condicio sine qua non of the conclusion of contracts of any type between the Company and such parties. The specific provisions in the Code signed by such parties or at least approved by the fact of concluding the same, as in the previous clause, constitute an integral and substantial part of the contracts concluded by them with the Group Companies. Any breaches by third parties of the specific provisions of the Code shall justify the suspension by the Company of contractual relationships with such parties and may also be identified ex ante as a reason for express termination of the contract.

The LUCART GROUP requires its employees to behave with propriety and in good faith with regard to the notification of any breach of the law or company policies: retribution will not be tolerated against employees who have made a verbal report relating to a breach in good faith or who have participated in the investigation of an alleged breach.