



CODE OF ETHICS AND CONDUCT

Attachment 2 to the OMC
Model of LB Officine Meccaniche Spa

Document updates

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1. INTRODUCTION

This document entitled *Code of Ethics* or *Code*, adopted by the Board of Directors, governs all the rights, duties and responsibilities that LB Officine Meccaniche S.P.A. (hereinafter **LB**) and its employees expressly accept in relation to the *stakeholders*¹ with which LB interacts on a daily basis in the conduct of its activities.

The set of ethical principles and values expressed in the Code must inspire the activities of all those who work at LB, having regard for the importance of their roles, the complexity of their functions and the responsibilities assigned to them in pursuit of the objectives of LB.

LB is an organised collection of persons (*executives, managers, clerical staff, factory workers*) who, together with the shareholders, suppliers, business partners and local communities in each country, seek to improve the quality of human life and industrial production.

2. RECIPIENTS

The instructions contained in this Code apply, without exception, to all those who come into contact, in any way, with LB and, therefore, to the directors, executives, employees, collaborators, suppliers and all those who, directly or indirectly, on a permanent or temporary basis, work for the Company.

In particular, as examples: members of the Board of Directors draw on the principles of the Code when establishing the objectives of LB; employees, regular collaborators and agents, in due compliance with the law and current regulations, align their actions and conduct with the principles, objectives and commitments envisaged in the Code.

The Code also establishes suitable measures for penalising any conduct inconsistent with its requirements that are proportionate to the seriousness of the non-conformity identified.

An ethical approach is essential, ensuring the reliability of the conduct of LB towards shareholders, customers and the civil and economic contexts in which LB works.

The adoption of certain specific principles of conduct, to be applied in relations with the Public Administration, customers and third parties in general, is evidenced inter alia by

¹ *Stakeholders* are those categories of individuals, groups or institutions whose expectations influence the conduct of the business and that, in various ways, may contribute to the pursuit of the objectives of LB. Stakeholders comprise: customers, suppliers, shareholders, related companies, partners and competitors, public administrations, the community, the environment and future generations. The executives of the Company apply in practice the values and principles embodied in the Code, shouldering the related responsibilities both internally and externally and strengthening the confidence, cohesion and spirit of LB.

the commitment of LB to prevent the offences identified in Decree 231/2001, as amended.

For the above reasons, it is important to define clearly both the set of values that LB recognises, accepts and agrees, and the set of responsibilities that the Company accepts both internally and externally.

The preparation of this Code responds to these needs, establishing a code of conduct to be followed by all Company personnel that is fundamental to the good functioning, reliability and reputation of LB.

LB strives to disseminate the Code of Ethics, via specific communication activities, to all those with whom relations are maintained.

This Code of Ethics will be extended to all companies within the LB Group.

3. REFERENCE ETHICAL PRINCIPLES

3.1. Introduction

The reactions to situations that pose ethical problems are influenced by many circumstances, but ethics essentially imply honesty, openness, fairness and responsibility. Ethics, therefore, involve a clear and informed commitment to do the right thing, acting in a proper manner and doing that which common sense often suggests should be done.

3.2. Purpose

The purpose of establishing principles of conduct for business activity can be summarised as follows:

emphasise the need for an ethical approach to the business activities carried out for LB, supporting the specific ethical principles and values adopted by the Company; translate into practice the principles of conduct established by LB via their constant application in the activities of the business; support the commitment made by LB to the healthy and proper administration of the Company, safeguarding its assets for the benefit of all stakeholders.

Since the moral integrity of LB employees underpins our relations with commercial partners, customers, suppliers and the community as a whole, employees are required to comply with the most rigorous principles of ethical conduct in the performance of their functions.

3.3. General principles

As an overarching principle, LB complies with all current laws and regulations; consequently, all LB employees and collaborators must strive to comply with those laws and regulations.

This commitment also extends to all suppliers, customers and whoever maintains relations with LB, which will not commence or maintain relations with any party that does not intend to comply with the principle of rigorous respect for all laws and regulations.

Ethics do not simply mean identifying what is legal in a given situation, but also doing what is morally correct and responsible in the conduct of business, without compromising the moral standards adopted (honesty, legality, fairness, reliability, reciprocal respect and dignity, responsibility, transparency).

LB employees must act with integrity and be frank, honest and fair in all aspects of their work, requiring the same conduct from all those with whom they maintain commercial relations.

3.3.1. Enhancement of human resources and personal integrity

LB protects and promotes the value of its human resources, in order to improve the wealth of skills possessed by each employee and promote the physical, moral and cultural integrity of each person.

LB guarantees working conditions that respect the dignity of individuals and safe working environments. The Company also safeguards and promotes the value of its human resources in order to improve and expand the wealth of skills possessed by each employee and collaborator.

3.3.2. Legality

In carrying out its activities, LB acts in compliance with the legislation and all regulations in force in the territories of operation, as well as with this Code and other corporate procedures, applying them with rectitude and equity.

Recipients are forbidden to work together or with third parties in order to commit offences in the interests, direct or indirect, of the Company.

3.3.3. Confidentiality

LB guarantees the confidentiality of the information and personal data that is processed, and protection for the information obtained about the work performed.

The Company will not use the information collected for its own interests, in order to obtain an unjust profit, in an unlawful manner or in any way that is detrimental to the objectives of LB.

In addition, employees and collaborators are required not to use confidential information for purposes unrelated to their professional activities.

3.3.4. Honesty and integrity

Pursuit of the interests of LB can never justify conduct contrary to the principles of honesty and integrity.

Relations with the stakeholders of LB are founded on the criteria of integrity, collaboration, fairness and reciprocal respect.

The directors, executives, employees and collaborators of LB carry out their activities in the interests of the Company and must not accept gifts, presents or other benefits, unless of low value within the limits of normal courtesy at the time of celebrations, or be influenced by any type of pressure that might guide their conduct for the benefit of outside interests. In addition, LB promotes the dignity, autonomy and value of its employees.

3.3.5. Responsibility to the community

LB is aware of the effects of its activities on the operating environment, economic-social development and the general well-being of the community.

For this reason, the Company intends to invest in a manner compatible with respect for the environment and the needs of local and national communities, supporting initiatives of scientific, cultural and social value at the same time, as appropriate, in order to improve constantly the reputation and social acceptance of LB.

3.3.6. Transparency

LB strives to provide clear, timely and transparent information to all stakeholders about its financial position and economic and operational performance, without favouring any interest groups or individuals, so that stakeholders are in a position to make independent and informed decisions.

3.3.7. Combating corruption and conflicts of interest

Consistent with the values of honesty and transparency, LB strives to implement all measures needed to prevent and avoid corruption and conflicts of interest.

A conflict of interest arises when a collaborator seeks to realise interests other than the equitable allocation of the interests of stakeholders, or obtain “personal” advantages from the business opportunities of LB, as well as when the representatives of customers, suppliers or public institutions act in contrast with the fiduciary duties associated with their positions.

In addition, it is forbidden to pay or accept sums of money, engage in other forms of corruption, or give/accept presents or favours to/from third parties in order to obtain benefits, directly or indirectly, for LB.

3.3.8. Quality of products and services

The key objectives of LB include the provision of maximum customer satisfaction and safeguards, paying attention to requests that can improve the quality of products and services.

LB is attentive to market needs and seeks constantly to enhance the quality of its products. To this end, all product research, development, production and commercialisation activities are founded on the highest quality standards.

3.3.9. Impartiality

In relations with stakeholders, LB avoid all forms of discrimination in terms of age,

gender, sexual orientation, state of health, marital status, race or political or religious opinions.

3.3.10. Protection of the environment

The environment is a primary asset to be protected; consistent with this principle, LB plans its activities to find the best possible balance between economic initiatives and environmental needs, taking into consideration the rights of current and future generations.

LB therefore strives to prevent risks for individuals and the environment, in compliance with current regulations.

3.3.11. Fairness of authority

LB strives to ensure, in contractual relations involving hierarchical relations, that authority is exercised in a fair and proper manner, avoiding all types of abuse.

3.3.12. Shareholder relations

Shareholders are entitled to all available information in order to guide their investment decisions and decide on meeting resolutions.

LB therefore works to create and maintain over time all necessary conditions to guarantee the informed and broad participation of shareholders in the decisions for which they are responsible.

LB also strives to guarantee economic-financial performance that increases the value of the business, thereby remunerating adequately the risk accepted by the shareholders when investing their capital.

4. PRINCIPLES OF CONDUCT IN RELATIONS WITH EMPLOYEES

Respect for individuals and their professional development is a fundamental value for LB, together with awareness that the combination of interpersonal, intellectual, organisational and technical skills contributed by each employee represents an outstanding strategic resource for LB.

In performing their work, LB employees base their conduct on compliance with the general principles for interactions with stakeholders and the rules contained in contracts, while retaining their own technical autonomy.

To this end, LB manages relations with all personnel in accordance with the primary principles set out below.

4.1. Selection and management of personnel

The recruitment of personnel is decided by matching the aptitudes of candidates with profiles that satisfy the needs of the business.

Accordingly, personnel search and selection is based solely on objective, fair and transparent criteria, guaranteeing equal opportunities and avoiding any form of favouritism, nepotism or patronage.

Candidates are only asked for information that is needed to check their satisfaction of the required professional and psycho-attitudinal profiles, in full respect for their privacy and personal opinions.

As during the selection phase, the decisions taken as part of the management and development of personnel are based on the actual reasonable match of profiles required with those possessed by employees, as well as on merit considerations comparing expected performance with that delivered.

LB prohibits and combats any and all forms of psychological, sexual or physical molestation of executives, employees, collaborators, suppliers, customers or visitors. Molestation means any form of intimidation or threat that impedes the tranquil performance of business functions, or the abuse of power by a hierarchical superior in a position of authority.

Those who believe that they have been the victims of molestation or discrimination for any reason can report the circumstances to the Supervisory Body.

It is forbidden to take any form of revenge on employees who reject, complain about or report facts that they consider contrary to the Code of Ethics, corporate policy or morals. LB is firmly against “black work”, infantile and child labour, and any other conduct that unlawfully infringes on personal freedoms. Each employment or collaboration relationship is formalised in a proper contract signed between the parties. All employees and collaborators are properly and fully informed about the rights, duties and obligations that derive from signature of the contract.

The Company trains all employees and collaborators and develops their professional skills, implementing training programmes and seeking to develop and improve specific skills.

4.2. Health, safety and the environment

LB strives to promote, disseminate and consolidate a culture of safety, developing awareness of risks and responsible behaviour by all employees. Prevention work seeks to safeguard the health and safety of workers. As such, LB protects the environment and dedicates particular attention to the creation and management of workplaces and working

environments that properly safeguard the health and safety of employees, in compliance with the relevant national directives. The Company condemns the hiring and use of workers from foreign countries who do not hold a valid residence permit and also warns its contractors not to use them.

4.3. Protection of privacy

LB complies with the privacy instructions contained in Decree 196/2003 “Code for the protection of personal data”, as amended, and in the related enabling regulations.

With particular regard to the processing of the personal data of workers, LB takes specific steps to inform each employee about the nature of the personal data processed by LB, about how it is processed and communicated and, in general, about all the personal information held.

4.5. Duties of executives, employees and collaborators

4.5.1. Diligence and good faith

All LB employees and collaborators must act loyally and in good faith, respecting the obligations accepted in their contract, providing the services requested and making personal contributions in terms of ideas, pro-active approach and enthusiasm, which are all indispensable for the harmonic and lasting development of the business.

Each person must also know and comply with the fundamental rules contained in this Code, behaving in a manner that conveys reciprocal respect and reflects cooperation and reciprocal collaboration.

Regardless of the functions performed and/or the level of responsibility taken, LB personnel must know and implement the requirements of LB with regard to environmental protection, occupational health and safety and privacy protection.

4.5.2. Conflicts of interest

LB employees and collaborators must avoid all situations in which conflicts of interest could arise and abstain from any activities that, even if only potentially, might conflict with the interests of LB.

For example, without limitation, conflicts of interest would include: involvement - obvious or hidden - of employees or their family members in the activities of suppliers, customers or competitors; use of functional positions to pursue interests in contrast with those of LB; use of information obtained from working activities for personal benefit or that of others in contrast with the interests of LB; performance of work of any kind (work or intellectual services) for customers, suppliers, competitors and/or third parties in

contrast with the interests of LB; conclusion, finalisation or start of negotiations and/or contracts - in the name and on behalf of LB - that have as counterparts the family members or partners of the employee, or legal persons owned by the employee or in which the employee has some involvement; acceptance of money or other benefits or favours from persons or firms that have or intend to enter into business relations with LB.

It is forbidden to take personal advantage of business opportunities that become known while working for LB. All employees must inform their manager before accepting any advisory, management, administrative or other appointments from other parties, or if an actual or potential conflict of interest arises.

If no response is received or the employee feels awkward about talking to a direct superior, the Supervisory Body should be informed.

4.5.3. Protection of corporate assets

All members of corporate bodies, executives, employees and collaborators are required to work for the protection of corporate assets.

They are also responsible for looking after the assets assigned to them and have a duty to inform their direct superior promptly about events that might be damaging for LB.

Each person must feel responsible for taking care of the corporate assets (both tangible and intangible) used in the business.

LB reserves the right to prevent and, if appropriate, penalise the use of its assets via the deployment of accounting systems, financial reporting and control, and systems for the analysis and prevention of risks, without prejudice to the relevant current regulations (privacy protection, workers' statute etc.).

In particular: all members of corporate bodies, executives, employees and collaborators are required to: implement corporate policies precisely; always use professional language in written and verbal communications, excluding elements that might offend individuals and/or damage the reputation of the Company;

browse websites in scrupulous compliance with the related internal regulations.

4.5.4. No corruption between private persons

Recipients are forbidden to carry out or omit deeds detrimental to the Company, in violation of the obligations inherent in their position and the requirement for loyalty, following the payment or promise of money or other benefits for themselves or others.

4.5.5. Transparency and accuracy of the accounting records

All transactions and operations carried out must be recorded properly and it must be possible to check the related decision-making, authorisation and implementation processes.

Each operation must have adequate documentary support so that checks can be carried out at any time. The documentation must confirm the characteristics of and reasons for the operations and evidence the persons who authorised, carried out, recorded and checked them.

The accounting records must be kept in a careful, complete and timely manner, in compliance with the corporate accounting procedures, in order to provide a true and fair view of the financial position and results of operations.

The term “accounting records” means all documents that describe operational facts in numerical form, including internal expense claims.

The information recorded in the general and detailed ledgers must comply with the principles of clarity, transparency, propriety, completeness and accuracy.

Personnel must inform their superior promptly if they become aware of errors, omissions or the falsification of accounting entries and records.

Persons required to make estimates for reporting purposes must adopt prudent criteria, supported by knowledge of the accounting and sector-specific techniques concerned and, in all cases, with the diligence required from sector experts. No false or artificial entries may be made in the LB accounting records, for any reason whatsoever.

It is forbidden to take any action that impedes or hinders the checks or audit work legally assigned to the owners, other corporate bodies or the auditing firm.

In this sense, LB guarantees maximum collaboration and transparency in relations with the auditing firm and the board of statutory auditors.

No employee shall engage in activities for the above unlawful purpose, even if requested to do so by a superior.

Responsibility for implementing an effective system of internal control is entrusted to the entire organisational structure and, in this regard, executives are authorised to involve other employees and collaborators in matters relevant to them.

4.5.6. Anti-money laundering

LB strives to comply with all domestic and international laws and instructions on the subject of money laundering.

LB employees must not establish relations or arrange contracts with business partners if they know that the counterpart is involved in the laundering of money derived from unlawful or criminal activities.

4.5.7. Self-money laundering

Recipients are forbidden to reuse in any way money, assets or other benefits deriving from an intentional crime or, in all cases, to impede in any way (including via the reuse or transfer of the above) the identification of their criminal source.

4.5.8. No holding of pornographic materials

It is absolutely forbidden to hold pornographic materials on IT media or hard copy at

premises where the activities of the Company are carried out, at related locations or at any other place linked to LB, or to divulge such materials via the institutional website or the publications edited or promoted by the Company.

5. PRINCIPLES OF CONDUCT IN RELATIONS WITH THE PUBLIC ADMINISTRATION

Recipients and whoever works in the interests or on behalf of the Company, using their own employees or representatives, are forbidden to promise or offer money, assets or other benefits of any kind to Public Officials in order to promote and facilitate their interests or the interests of the Company, or even to remunerate or pay for an official deed from those Public Officials, or to obtain a deed that is contrary to the duties of their office.

It is also forbidden to behave in any way intended to distract Public Officials from the proper exercise of their duties or induce them to violate the rules of governance or the principle of good conduct and impartiality adopted by the Public Administration.

Additionally, all conduct designed to obtain any unlawful advantage for the Company or the Recipient is also forbidden.

Recipients who, directly or indirectly, receive requests for benefits from Public Officials must immediately report the fact to corporate management or the Supervisory Body.

Recipients are forbidden to ask Public Officials for:

- information known by reason of the office held;
- conduct that impedes exercise of the rights of third parties;
- conduct that impedes the work of the Public Administration.

Recipients are forbidden to promise or give money or other benefits to Public Officials, directly or via intermediaries, in order to obtain violations of the principle of impartiality, or services other than those that are normally granted or refused to others.

Any violations of the principle of impartiality applicable to Public Officials must be reported to the Supervisory Body.

Recipients are forbidden to give the Public Administration or any Public Official information that is untrue or data that is not real via any means, including the transmission of electronic data or other data transmitted in that way.

6. PRINCIPLES OF CONDUCT IN RELATIONS WITH CUSTOMERS

Customers represent the real wealth of LB.

In all conduct involving customers LB applies the principles of transparency, reliability, responsibility and quality.

Accordingly, the members of corporate bodies, executives, employees and collaborators of LB must comply scrupulously with the instructions contained in this Code and the internal procedures for the management of relations with customers, as well as all contractual requirements, determined in accordance with current regulations. They must also guarantee the quality and reliability of the products and services offered.

5.1. Contractual relations with customers

Contractual relations and communications with the customers of LB are founded on the principles of propriety, honesty, professionalism and transparency and, in any cases, the assurance of maximum collaboration.

5.2. Customer satisfaction

LB considers it essential to maintain the highest quality standards for products and services and to maximise customer satisfaction.

In order to achieve this objective, LB has subjected the production process to ISO 9000 certification.

The internal procedures and scientific technologies used also support this key objective via the constant monitoring of customers.

6. PRINCIPLES OF CONDUCT IN RELATIONS WITH THE SHAREHOLDERS

The primary concern of LB is to enhance the value of the investment made by shareholders, implementing an industrial policy that assures them of adequate economic return over time, by optimising the resources available and increasing the competitiveness and financial strength of the Company.

6.1. Market transparency

LB pursues its objectives with maximum external transparency regarding the choices made and the results of operations.

LB provides complete, accurate, symmetric and timely information, so that the decisions of investors can be based on the strategic business decisions taken, the results of operations and the expected return on capital invested.

7. PRINCIPLES OF CONDUCT IN RELATIONS WITH THE STAKEHOLDERS

7.1. Processing of information

The processing of information about stakeholders is carried out in full respect for the confidentiality and privacy of those concerned, implementing specific procedures for the protection of data.

In particular, LB: ensures the proper segregation of duties and responsibilities; classifies information by increasing levels of importance, adopting suitable security measures in each phase of processing; requires third parties involved in processing to sign confidentiality agreements.

7.2. External communications

LB communications to stakeholders (via the media and otherwise) are marked by respect for the right to be informed; it is forbidden to disseminate false or misleading news or comments.

Communications in all their forms are: founded on compliance with the laws, rules and practices of good professional conduct; carried out in a clear and transparent manner; organised to protect industrial secrets, among other matters, and guarantee the transparency of the source.

Relations with the media are maintained exclusively by the authorised functions.

It is forbidden to pressure or attempt improperly to obtain favourable consideration from the press and other means of communication.

7.3. Competitors

LB strives to compete with other operators in the reference market, abstaining from all forms of collusion or abuse of dominant positions that might result in violating the principles of fair competition.

LB does not refuse, hide or delay any information requested by the antitrust authorities or supervisory bodies in the exercise of their audit functions, collaborating fully with all investigations.

7.4. Patents, commercial trademarks and authorship rights

Protection of the intellectual property of LB is fundamental in order to retain the competitive advantage of the Company. The term “intellectual property” comprises patents, industrial secrets, authorship rights, commercial trademarks, technical and scientific knowledge and know-how, and the expertise acquired in the course of business activities.

Employees are required to define, safeguard, maintain and defend the rights of LB in all areas of intellectual and commercially significant property and to exercise those rights responsibly.

In addition to protecting the intellectual property rights of LB, the intellectual property rights of other parties must also be respected.

The unauthorised use of the intellectual property rights of others could expose LB to civil lawsuits and demands for compensation; the theft and improper appropriation of intellectual property could result in heavy fines and criminal penalties for both LB and the individuals involved.

8. PRINCIPLES OF CONDUCT IN RELATIONS WITH SUPPLIERS

8.1. General conduct in relation to suppliers

In all conduct involving suppliers LB applies the principles of transparency, equality, fairness and free competition.

In particular, the executives and employees of LB must: respect and comply with the legislation applicable to supply relationships and the contractual conditions agreed;

comply scrupulously with the internal procedures for selecting suppliers and managing relations with them; obtain the collaboration of suppliers to ensure satisfaction of the various requirements regarding quality, cost and lead times for the delivery of goods and services; comply with the principles of transparency and completeness in all correspondence with suppliers; avoid any form of conditioning by third parties unrelated to LB when making decisions and/or carrying out their business activities.

8.2. Supplier selection

Buying processes seek to obtain maximum economic advantage for LB and protect the reputation of the Company.

To this end, the executives and employees of LB responsible for the business functions that participate in those processes must: ensure that suppliers satisfying the requirements have equal opportunities to participate in the selection process; ensure that more than two suppliers participate in tender competitions, unless there are exceptional circumstances governed by specific corporate procedures; check, with reference to suitable documentation and otherwise, that suppliers participating in tender competitions possess the financial and other means, organisational structure, technical skills and experience, quality systems and resources to satisfy the needs of LB and safeguard the reputation of the Company.

Given the nature of its activities, LB maintains collaborative relations with external professionals; in these relations, the sole selection criteria are linked to the quality and scientific or other specific skills of the professionals concerned.

8.3. Integrity and independence in relations with suppliers

Relations with suppliers are governed by the general ethical principles adopted by LB and are monitored constantly by the Company.

8.4. Protection of the ethical aspects of supplies and commercial agreements

LB draws the attention of suppliers to the contents of this Code.

Contractual counterparts must sign declarations confirming their knowledge of the principles specified in this Code, agreeing to avoid all conduct that would induce LB or its executives, employees or collaborators to violate those principles.

8.5. Gifts and other benefits received from suppliers

The executives, employees and collaborators of LB must avoid receiving, directly or indirectly (via family members, friends or acquaintances):

money or other benefits from any party other than LB for the performance of their official duties or against their official duties;

gifts, presents, hospitality or other benefits, unless of modest value that does not exceed the limits of normal courtesy at the time of celebrations.

Executives, employees and collaborators who receive gifts or other benefits that are inconsistent with the above must take all appropriate action to refuse such gifts or benefits and inform their immediate superior. If no response is received or the executive, employee or collaborator feels awkward about reporting the matter to their direct superior, the Supervisory Body should be informed.

8.6. Ethical aspects of supplies

Violation of the general principles of the Code of Ethics results in the activation of penalty mechanisms that seek to avoid offences against the P.A. or environmental disasters attributable to the activities of LB.

Accordingly, the contracts with suppliers contain suitable clauses in this regard.

In particular, contracts between LB and suppliers in countries defined to be “at risk” by recognised organisations must include clauses that require: self-certification by the supplier of compliance with specific social obligations (e.g. measures that guarantee workers respect for their fundamental rights, the principle of equal treatment and non-discrimination, safeguards for child labour etc.).

9. PRINCIPLES OF CONDUCT IN RELATIONS WITH COLLABORATORS AND CONSULTANTS

In executing their contractual relationships with LB or their assigned appointments, consultants and collaborators on whatever basis must conduct themselves with propriety, good faith and fairness, complying to the extent applicable with the requirements of this Code.

9.1. Commencing and maintaining the relationship

In order to commence and maintain relations with collaborators and consultants, LB considers it essential for them to comply with current regulations and the principles contained in the Code when providing their professional services.

LB identifies and selects collaborators and consultants with absolute impartiality, autonomy and independence of judgement, without accepting conditioning or compromises of any kind with a view to favouring some third parties over others, or obtaining benefits or advantages.

When identifying and selecting collaborators and consultants, LB considers carefully their professional skills, reputation, independence, organisational ability and suitability for the proper and timely performance of their contractual obligations and the appointments granted.

9.2. Relevance and knowledge of the Code

LB requires compliance with the relevant parts of the Code in each agreement signed with collaborators, consultants, customers, shareholders, suppliers and/or any party that, in any way, enters into contact with LB Officine Meccaniche spa for business reasons.

The Company disseminates the Code directly to collaborators, consultants, customers, shareholders, suppliers and/or any party that, in any way, enters into contact with LB Officine Meccaniche spa for business reasons and is bound to comply with its principles.

Conduct in violation of the principles specified in the Code may be deemed a serious breach of the duties of propriety and good faith in the execution of the contract, damaging the fiduciary relationship and representing just cause for termination of the contract.

9.3. Conduct in the execution of the contractual relationship

When providing their professional services, collaborators and consultants are required to avoid conflicts of interest with the Company and, should they arise, must report them immediately to their corporate contacts. In such cases, they must abstain from providing the service concerned without prior consent from the Company.

All collaborators and consultants must abstain, without fail, from any deed that is or may be considered to be against the law, even if that conduct results or, theoretically, might result in an advantage for LB.

All collaborators and consultants are required to safeguard the reputation of LB and to promote it via consistent conduct founded on decorum, personal care, civility and respect for others.

Collaborators and consultants are required to use properly and take good care of any assets made available to them by LB.

10. PRINCIPLES OF CONDUCT IN INSTITUTIONAL RELATIONS

All relations between LB and Italian and foreign public institutions are founded on the principles of propriety, transparency, collaboration and non-interference, with respect for the reciprocal roles.

Relations with the officials of public institutions are maintained solely by the responsible and properly authorised business functions, in strict compliance with all laws and regulations, and must not compromise the integrity and reputation of LB.

To this end, LB refuses to offer, directly or via intermediaries, sums of money or other forms of payment or other benefits to public officials or the providers of public services in order to influence their work in the performance of their duties.

These instructions must not be evaded by recourse to various types of contribution that, in the guise of sponsorships, appointments, consultancy, advertising etc., have the same purposes that are forbidden above.

11. PRINCIPLES OF CONDUCT WITH OTHER COUNTERPARTS

Economic relations with political organisations, trade unions and associations

LB abstains from exerting any direct or indirect pressure on political or union leaders via its executives, employees or collaborators.

The directors, executives and employees of LB, in turn, must not carry out any political activities during working hours, or use Company assets or equipment for that purpose. In addition, they must clarify that any political opinions expressed to third parties are strictly personal and, therefore, do not represent the opinions or orientation of the Company.

In their relations with other stakeholder associations (e.g. trade associations, environmental organisations etc.), executives, employees and consultants must not promise or give money, assets or other benefits on a personal basis in order to promote or facilitate the interests of LB.

12. PRINCIPLES OF CONDUCT TOWARDS THE ENVIRONMENT

12.1. Environmental policy

The environmental policy of LB is founded on the conviction that, in addition to being a shared asset that must be protected, the environment represents a competitive advantage in an increasingly global market that pays attention to the quality of life and the conduct of counterparts.

13. PRINCIPLES AND RULES FOR THE USE OF CORPORATE SOCIAL NETWORKS

13.1 Policy for the use of social networks

The Company is well aware that the use of social media has become an important factor in business development and, therefore, hopes to maximise the opportunities deriving from these new forms of communication. At the same time, LB strives to prevent potential risks deriving from their improper use. For the above reasons, the Company recognises the right of employees to use social media, while also holding them responsible for any economic losses and adverse effects on the reputation of LB deriving from any improper use of social media in conflict with the Code of Ethics, both during and outside of working hours.

Since customers, suppliers, collaborators, consultants and even competitors and employees of other firms might have access to the “personal” information of social network members and become aware of their association with LB, even if not explicitly mentioned, the Company requires all personnel to comply with the following general rules:

- Use discretion and good sense when discussing business problems and expressing personal viewpoints on the matter;
- Remember that it is forbidden to share and/or discuss confidential information that belongs to the Company.

- When disclosing their status as LB employees, personnel must clarify that their ideas and opinions are personal and do not represent, in any way, the positions or

opinions of the Company or its management bodies.

- Remember that the following corporate values and standards must be upheld in the context of on-line activities: protection of confidential corporate information; respect for the privacy of employees, customers, suppliers, collaborators, consultants and economic partners; promotion of an open and positive working environment; refusal of any form of discrimination.
- Personnel must inform their direct superior and/or the Supervisory Body about any comments, posts, photographs or content of any kind that are published on the network that might represent a violation of this Code or, in any case, be damaging to the Company or its employees.
- If requested to carry out social media activities on behalf of the Company, personnel must:
 - 1) ensure that they have the necessary skills to carry out those activities on behalf of the Company;
 - 2) be honest and transparent about the role played and their responsibilities within the Company;
 - 3) follow all the instructions given by the Company.

14. IMPLEMENTATION OF THE CODE OF ETHICS

14.1. Supervisory Body pursuant to art. 6 of Decree 231/2001

LB has established an autonomous and independent Supervisory Body.

The Supervisory Body of LB is responsible for checking on the application and implementation of the Code.

With regard to supervising compliance with the Code of Ethics, the SB has the powers, tasks and duties envisaged in the Organisational Model pursuant to Decree 231/2001, to which reference is made.

In the context of its activities, the Supervisory Body is assisted by the necessary resources, as identified from time to time from among the personnel of LB.

All employees and collaborators of the LB are required to collaborate with the Supervisory Body, providing any corporate documentation needed for its work.

In the event of doubts about the lawfulness of given conduct, ethical issues or violations of the Code, recipients may contact the Supervisory Body. Reports by recipients about possible improper activities must be submitted in writing and, in addition to the hierarchical channels, may be sent to the Supervisory Body by certified e-mail to the address odv.lb@pec.it or by ordinary e-mail to the address odv@lb-technology.com.

Reports about possible violations by the Supervisory Body may be addressed to the Board

of Directors, which will empower one of its members to carry out any necessary and/or appropriate investigations.

All reports received will be held in the strictest confidence.

14.2. Dissemination of the Code of Ethics

LB disseminates the Code to recipients in the following ways: transmission by e-mail and/or fax and/or post and/or hand delivery to the employees and collaborators of LB (with a statement that the Code is binding on all employees) and to the members of the Board of Statutory Auditors, who must sign a specific declaration; publication on the institutional website; posting in a location accessible by all employees and collaborators, pursuant and consequent to art. 7, para. 1, of Law 300/1970; provision of information to external collaborators and suppliers about the existence of the Code;

verification of inclusion in the contracts signed by LB of a clause that informs third parties about the existence of the Code and penalises failure to comply with it.

14.3. Effectiveness of the Code of Ethics and consequences of violations

Everyone is required to comply with the Code and ensure that others comply with it.

Compliance with the rules contained in this Code is an essential part of the contractual obligations accepted by the employees of LB, pursuant to art. 2104 of the Civil Code, and by its collaborators.

All conduct in violation of the requirements of this Code by collaborators, consultants or other parties that have business relations with LB may result in termination of the contractual relationship, without prejudice to any demands by LB for compensation should that conduct result in losses for the Company.

Violation of the above requirements represents a breach of the obligations deriving from the working relationship and/or a disciplinary matter, with all legal consequences including with regard to continuation of the working relationship.

LB agrees to establish and impose penalties, in a consistent, impartial and uniform manner, that are proportionate to each violation of the Code and consistent with the current regulations that govern working relationships.

In particular, in the event of violations of the Code of Ethics by employees of the Company, the related measures will be adopted and the related penalties will be imposed in full compliance with art. 7 of Law 300 dated 20 May 1970, current regulations and the provisions of the collective employment contract.

The individual violations that are punishable and the related penalties imposed are set down in a separate document that is posted in a location accessible to all, in compliance with the National Collective Employment Contract applied.

This Code establishes that disciplinary action must be taken in the event of non-compliance with the rules of conduct defined herein.