

I. INTRODUCTION AND SCOPE

This disciplinary code (the “**Disciplinary Code**”) has been implemented with the intention of serving as a Lazzerini guide and to provide all employees with answers regarding company procedures, rules and lines of conduct. It applies to all employees – including therein executives – (hereinafter, “**Employees**” or individually, the “**Employee**”) of Lazzerini S.r.l. (hereinafter, also “**Lazzerini**” or the “**Company**”) and is introduced for the purpose of preventing and sanctioning conduct in violation of internal provisions and/or procedures.

The Disciplinary Code incorporates the provisions set out in Articles 2104, 2105 and 2106 of the Italian Civil Code, in the National Collective Bargaining Agreement (CCNL) for employees in the metalworking industry (hereinafter, the “**CCNL**”), and in the National Collective Bargaining Agreement for executives in the industrial sector (hereinafter, the “**Executive CCNL**”), as well as those set out in internal procedures, policies and regulations currently applied, or applicable in the future, at Lazzerini.

The terms and definitions in the Disciplinary Code shall, therefore, also be assessed in light of the internal procedures, policies and regulations in which they are specifically contained.

The Disciplinary Code is introduced for the purpose of implementing a disciplinary system able to effectively sanction any non-compliance, as well as non-observance of the company policies and regulations respectively implemented at Lazzerini, and of the provisions in the Code of Ethics adopted by the Company.

The following, therefore, constitute an integral part of the Disciplinary Code, understood as fully reproduced herein:

- the Code of Ethics;
- the individual internal procedures, policies and regulations in place at the Company.

The Disciplinary Code and the Code of Ethics, as well as the individual internal procedures, policies and regulations referred to above, are published on the company website, accessible via the link <https://www.lazzerini.it/it/environmental-social-governance>.

There is no expiration for the validity of the Disciplinary Code which may, at any given time, be modified by the Company. Changes shall be deemed to have been acknowledged after 24 hours from their transposition.

II. GENERAL PRINCIPLES

Any conduct contrary to the rules prescribed by the Disciplinary Code constitutes a disciplinary offence and may result in the application of the disciplinary sanctions provided for by the CCNL, including therein, in the most serious cases, dismissal with or without notice.

In determining which sanctions apply from among those identified in the CCNL and listed in chapter IV below, as well as the extent of their applicability, the following principles shall be considered:

- the severity of the conduct, even if omissive;
- the consequences, even if possible or potential, arising from the conduct;
- the position held by the Employee within the company organisation, also taking into account the responsibilities connected with their duties;
- any aggravating and/or mitigating circumstances that may emerge in relation to the conduct of the Employee, including, by way of example and not limited to, the imposition of previous disciplinary sanctions against the same person or any repeat offences committed in the previous two years.

In any case, Lazzerini reserves the right to claim for damages – also by means of salary deductions, within the limits of the law – each time the Employee's conduct results in harm or detriment to the Company.

III. RULES OF CONDUCT

1. Employees are required to comply with the obligations arising from the application of the Disciplinary Code, the Code of Ethics and/or internal procedures, policies and regulations referred to above, which form an integral part thereof, and with the general obligations of the CCNL and the law;
2. Employees are required to perform their work diligently in compliance with the directives and instructions respectively received from their immediate superiors;
3. Employees are required to strictly observe their official duties and professional secrecy, to be courteous in dealings with the public, clients and colleagues, and to conduct themselves in a manner compliant with civic duties.
4. Employees acting in the name and on behalf of Lazzerini are required to behave ethically in line with the company policies, with respect for the regulations in force and guided by the utmost transparency, clarity, fairness and efficiency, avoiding conflicts of interest.
5. Employees are required to maintain the utmost secrecy with regard to all business matters, procedures, structures (e.g. security systems, information and data processing systems, etc.), operating and promotional techniques of the Company.
6. Employees are required to maintain the utmost secrecy with regard to the nature and content of dealings between the Company and its business partners, suppliers and clients.
7. Employees, in accordance with their obligations under the law, their contract and the Disciplinary Code, are required to maintain confidentiality with regard to all documentation (whether physical or digital or in any other format) concerning the Company's operations.
8. Employees are required to diligently safeguard company assets, goods, documents, equipment and materials and to return them intact upon termination of the employment relationship, or on request. Employees may be requested to pay the value of any company assets or materials which, at the time of their return, are found to be non-functional or missing due to negligence attributable to said Employees.
9. Employees may not:
 - i. accept gifts or forms of entertainment from suppliers, unless they are of clearly symbolic value;
 - ii. accept or offer gifts in cash, or having economic value, from/to public or private entities that hold or may hold working/professional relations with Lazzerini, or in any case pertaining to its business operations.
10. Employees are required to disclose to Lazzerini management any gifts or invitations received in performing their professional duties (except for events intended merely for professional development).
11. Employees are required to comply with the laws and regulations in force when performing any tasks connected with their role within the company, and to adapt their conduct and actions to the principles and objectives set out in the Code of Ethics and in the Disciplinary Code, as well as to the principles of loyalty, fairness and transparency and the absence of conflicts of interest.
12. Employees are required to comply and ensure compliance with the Code of Ethics and the policies and regulations respectively adopted.
13. In compliance with the Whistleblowing Policy, Employees are required to promptly report any effective or potential violations of the Code of Ethics.
14. In compliance with the Whistleblowing Policy, Employees must not commit acts of retaliation or discrimination, either directly or indirectly, towards colleagues or collaborators who report effective or potential breaches of the law, the Code of Ethics and/or other regulations and/or policies respectively enforced within the Company.
15. In compliance with the Whistleblowing Policy, Employees must not make malicious or grossly negligent reports of effective or potential violations of the Code of Ethics and/or any other rules that may be respectively applied, which are found to be unsubstantiated.
16. Employees are required to comply with current workplace health and safety regulations, reporting any abnormalities without undue delay using all available means at their disposal.

IV. DISCIPLINARY MEASURES

Violations of the rules in this Disciplinary Code, the Code of Ethics, and the internal procedures, policies and regulations referred to above (including therein, the Sexual Harassment Policy and Whistleblowing Policy

respectively in force), as well as violations of legal, regulatory and CCNL provisions, proportionally to the severity of the violation and regardless of the effective prejudice suffered by the Company, in accordance with the general principles outlined in chapter II above, shall result in the adoption of the following disciplinary measures:

- verbal warning;
- written warning;
- fine not exceeding three hours of hourly pay, calculated on the minimum wage;
- suspension from service and pay for up to three days;
- disciplinary dismissal with or without notice.

Verbal warning

The warning shall be verbal for minor misconduct.

Verbal warnings can be issued in the case of minor misconduct due to negligence on the part of the Employee, but which does not amount to a serious violation of their conduct obligations.

Written warning

A written warning shall be issued in the case of misconduct warranting a more serious sanction than a verbal warning, with regard to the general principles in chapter II above, or in the case of repeat offences concerning conduct separately punishable with a verbal warning.

Fine

A fine shall be issued to Employees who commit violations warranting a more serious sanction than a written warning, with regard to the general principles in chapter II above, or in the case of repeat offences concerning conduct separately punishable with a written warning. By way of example and not limited to, and without prejudice to the provisions respectively provided for by the CCNL, a fine may be issued to Employees that:

- are late starting work without justification;
- carry out their assigned tasks with negligence;
- are absent from work for up to three days in a calendar year without substantiated justification;
- do not immediately notify the company of any change in their address, either during service or leave.

Suspension from service and pay

A suspension from service and pay shall be imposed on workers who commit violations warranting a more serious sanction than a fine, with regard to the general principles in chapter II above, or in the case of repeat offences concerning conduct separately punishable with a fine. By way of example and not limited to, and without prejudice to the provisions respectively provided for by the CCNL, the suspension may be imposed on Employees that:

- cause damage to property in their possession and use, with proven liability
- report for duty in an obvious state of drunkenness;
- commit more than three repeat offences within a calendar year related to the forms of misconduct subject to fines, excluding cases of unjustified absenteeism.

Disciplinary dismissal

Without prejudice to any other legal action, disciplinary dismissal shall be applied in cases of particularly serious misconduct by the Employee, with regard to the general principles set out in chapter II above, or in the case of repeat offences concerning conduct separately punishable by suspension from service and pay.

- A. By way of example, disciplinary dismissal with notice may be imposed on Employees who are found to have engaged in the following conduct:
- a) insubordination to superiors;

- b) considerable culpable damage to plant material or processing material;
 - c) engaging in work, to a minor extent, for oneself or third parties at the company without authorisation, without using company resources.
 - d) physical altercations in the plant outside the processing departments;
 - e) abandonment of the workplace by personnel specifically entrusted with supervisory, custodial or control duties, other than in the cases provided for in point e) of letter B) below;
 - f) unjustified absenteeism for more than 4 consecutive days or repeated absenteeism three times in a year on the day after a public holiday or personal leave day;
 - g) imprisonment sentence imposed on the employee, as determined by a final judgement, for an act unrelated to employment duties, but which compromises the moral character of the employee;
 - h) any repeat offences of the contemplated misconduct, in the event two suspension measures have been imposed.
- B. Disciplinary dismissal without notice may be imposed on Employees who are found to have engaged in the following conduct, by way of example and not limited to:
- a) serious insubordination to superiors;
 - b) theft within the company;
 - c) theft of sketches or drawings of machines and tools or other objects, or company documents;
 - d) voluntary damage to company material or processing material;
 - e) abandonment of the workplace in a manner that could potentially compromise the safety of individuals or the plant, or engaging in actions that pose such risks;
 - f) smoking where this could harm the safety of individuals or the safety of the plants;
 - g) engaging in work, to a non-minor extent, for oneself or third parties at the company without authorisation, and/or using company materials;
 - h) physical altercations in the processing departments.

Procedure

The Company cannot take any disciplinary action against Employees without first notifying them of the charge, except in the case of misconduct warranting a verbal warning.

The charges, including specific details of the fact constituting a disciplinary offence, are notified by means of written communication indicating the time limit (5 days) within which the Employee may provide their justifications. The notification must be promptly made as soon as the company becomes aware of the violation and of the relative circumstances.

Employees may also provide verbal justifications and have the option to be assisted by a trade union representative.

Any disciplinary measures imposed must be motivated and communicated in writing to the Employee using means able to certify the date of receipt (registered letter with return receipt, delivery by hand, etc.) within 6 days after the expiration of the time frame for the employee to provide their justifications.

Once the aforementioned period has elapsed without any sanction being imposed, the justifications are deemed to have been accepted.

When required by the nature of the misconduct or by the need for investigation as a result thereof, the Company may, as a precautionary measure, temporarily suspend the employee from service pending a final disciplinary decision. Throughout said period of suspension, the Employee shall continue to receive normal pay.

Disciplinary sanctions shall not be considered for any purpose once a period of two years has passed since their imposition.

The application of disciplinary sanctions shall be irrespective of the outcome of any administrative and/or criminal proceedings against the employee, and shall, in any case, be without prejudice to the Company's right to claim damages.

Without prejudice to the foregoing, any violation of this Disciplinary Code, of the Code of Ethics, and of the internal procedures, policies and regulations referred to above, shall be considered not only in disciplinary terms, but also as a violation of the obligations arising from the contractual relationship with the Company.