



**HIGH
PERFORMANCE
THERMOPLASTICS**

ETHICAL CODE

**Adopted by the Board of Directors
with resolution dated July, 28th 2018**

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1. DEFINITIONS

In the present Code of Ethics the following terms are used to define:

- **LATI Group:** LATI INDUSTRIA TERMOPLASTICI SPA and directly or indirectly controlled or related companies, in accordance with art. 2359 of the Italian civil code.
- **Unit:** each of the parts composing the LATI GROUP organisational structure.
- **Employee:** each person on a fixed-term or indefinite work contract, as well as other persons involved in the execution of tasks, also temporarily, with characteristics of subordination.
- **Manager:** a LATI employee in charge of heading and co-ordinating a Unit.
- **Third Parties:** natural or legal persons with whom LATI has relations (customers, suppliers, Public Administrations, Authorities, etc.).
- **Organisation Model:** Organisation, management and control model adopted by LATI INDUSTRIA TERMOPLASTICI SPA in accordance with Italian legislation on "corporate liability for criminal administrative offences" contained in leg. decree 8 June 2001 n. 231.
- **Supervisory Board:** The Supervisory Board pursuant to leg. 231 /2001.
- **Stakeholder:** Those who are "stakeholders" with regard to an economic initiative, both a company or a project. These include, for example, customers, suppliers, financiers (banks and shareholders), freelance professionals, employees, but also external groups of interest such as residents neighbouring company premises or local interest groups.
- **Corporate governance bodies:** the corporate bodies delegated by law, practice or statute to take managerial decisions.
- **Company management:** the management bodies to whom the management and co-ordination of certain activities are delegated by internal rules.

2. INTRODUCTION

Since its foundation, LATI Group has consistently applied ethical principles to company management, particularly with regards to environmental protection, protecting the health and safety of personnel in the workplace, and the personal development of its employees. On the basis of such goals LATI Group has made ethical choices, when necessary, while both identifying products or processes to be abandoned and in applying strong innovative development techniques, even accepting potential risks of lower profitability,

LATI Group adopted the present Code of Ethics to define the values to which it inspires and which confirms the importance of socio-ethical responsibility when conducting business and Company activities. Furthermore, LATI Group is committed to respect the lawful interests of its own stakeholders and of the community in which it operates.

LATI Group, therefore, conscious that its activities play an important social role and aware of having acquired an objective significance in the community, asks both its employees and those who cooperate with LATI Group to respect the principles and business rules established in the present code.

3. MISSION AND ETHICAL VISION

The LATI mission is to provide its customers with quality products and integrated services, with punctuality and reliability, respecting their needs and by benchmarking the most sophisticated technologies and skills available on the market, convinced that economic development has to be compatible with the environment.

In this perspective, company activity is oriented towards:

- creating added value for the shareholders;
- valuing human resources, essential for business development, achieved by lending importance to the welfare and professional growth of employees and collaborators;
- promoting a sensibility toward ethical conduct and striving to realize this goal;
- correctness of internal and external relations as a guiding principle which standardises every action.

4. GENERAL PRINCIPLES

a. General Ethical Principles

LATI group:

- (1) acts in accordance with UE, National and International *laws* and refuses any illegal practice;
- (2) considers its corporate *image* and its *reputation* as common values to be defended and developed through the full dissemination, sharing and observance of ethical principles and conduct stated in the present code;
- (3) holds impartiality as a basic value in every internal and external relationship and considers the individual, his/her personality and his/her rights, as intangible values to be protected;
- (4) believes that values such as *diligence, competence, professionalism, efficiency, honesty, transparency, correct conduct, unreserved cooperation, respect of freedom, dignity, consideration of diversity and rejection of discrimination* are crucial both for the performance of employees and collaborators, with the scope of providing high quality products and for assuring consistency and continuity of their own execution of work;
- (5) expects its staff and collaborators to work *responsibly, willingly and creatively*.

It is also clarifies that:

- (6) even if motivated by pursuing a LATI Group interest, no act contrary to applicable legislation, the present Code and internal rules, on the part of corporate governance bodies, business management and, generally speaking, all employees and collaborators will be justified;
- (7) all contact with the customer shall be characterised by respect, courtesy, fairness and clarity;
- (8) possible commercial courtesy acts, such as gifts or forms of hospitality, are allowed on condition that they are of modest value and cannot compromise the integrity and reputation of the two parties, nor must they affect the autonomy of judgement of the recipient;
- (9) all commercial, corporate, administrative, financial and management decisions must be taken in the interest of LATI Group, avoiding any situation of conflict of interest or incompatibility between personal or family interests and roles held in LATI Group, those which could compromise impartiality of judgement and evaluation.

b. The ethical Company

LATI Group considers respect for the environment - i.e. the natural landscape context in which everybody interacts - as one of the crucial points on which it bases company activities and external relations.

For this reason LATI Group - while aiming to pursue Company goals - has always tried to combine its own production activity with the following most significant aspects of social growth:

- (1) looking to steadily increase employment;
- (2) providing growth opportunities for the social context in which the Company operates, through the wealth generated by industrial activity;
- (3) offering its employees continual proposals for cultural and professional growth.

Furthermore, LATI Group intends to increase the above mentioned growth by implementing specific policies designed to:

- (4) create fruitful contacts with schools and universities, to develop focused research and to realise work placement programs;
- (5) transfer any specific know how concerning industrial risks and environmental impact to customers and to the organisations responsible for the implementation and control of such matters;
- (6) dedicate more attention to social and no-profit themes;
- (7) persist in the already constant research to develop new products and processes that best meet environmental protection, quality and safety requirements.

c. Internal control

LATI Group considers an adequate control system which contributes to improving Company efficiency and decision-making efficacy to be essential, and therefore takes care to raise staff awareness of these themes.

The internal control system is considered as the set of tools, processes and technicalities useful or needed to direct, manage and monitor all activities which should reasonably facilitate:

- (1) the pursuit of business goals;
- (2) the reliability and integrity of financial and operative information;
- (3) the efficiency, effectiveness and profitability of business activities;
- (4) the protection of corporate assets;

- (5) the conformity of company acts and business decisions to the laws, rules and contracts in force;
- (6) the protection of information deemed confidential or secret.

d. Advertising and sponsorship

LATI Group considers itself socially responsible and therefore chooses to manage and promote its brands, as well as to present its products, using those instruments which allow the surrounding environment and community to enjoy them directly, also through the use of mass media.

Technical publicity means may also be used and, when deemed necessary, sponsorships and contributions can be used to fund study projects, research, conferences and seminars, the subject of which can be of direct interest to the company.

When choosing the initiatives to be funded, LATI Group acts by respecting correctness, transparency and internal rules, avoiding any possible situation of personal or corporate conflict of interests.

e. Gifts, donations, contributions and sponsorships

LATI Group supports social responsibility initiatives, also through the provision of sponsorships or contributions to foundations, institutions and organisations dedicated to activities aimed at enhancing the territory in which it operates, improving living conditions and disseminating culture and solidarity in the community in which it operates. Sponsorships and donations to companies or associations, even those not recognised, are duly authorised and the counterparties involved are unambiguously identified, together with the reasons for the donation. The transfer of the economic value is carried out through authorised intermediaries, so that traceability is ensured on the basis of adequate documentation.

f. Quality and Safety system

With the commitment and involvement of all employees, LATI Group has developed its own quality management system in accordance with UNI EN ISO 9001 and UNI EN ISO 14001. Effective application of the quality system is a priority to constantly improve both production processes and product quality level, thereby increasing customer satisfaction and consequently the capability to generate value for all interested parties.

LATI Group, moreover:

- (1) conducts on-going monitoring of process indicators related to production quality, with the aim of guaranteeing the maintenance of existing quality standards and to allow for its improvement;
- (2) is committed to diffusing and promoting a culture of safety in the workplace, both towards employees and third parties, irrespective of any economic considerations;
- (3) regularly and actively works to convince all operative and decisional levels to tenaciously strive for an always greater awareness of the theme "health and safety at work", also by repeating that all decisions on such matter must be taken on the basis of the following principles, pursuant to art. 6, clause 1 and 2 of European Directive n. 89/391 and, more precisely:
 - i. avoid risks,
 - ii. evaluate the risks which cannot be avoided;
 - iii. combat risks at source;
 - iv. adapt work to the person, particularly with regards the place of work, choice of equipment and production methods, in order to try to reduce monotony and repetitiveness of work cycles thus reducing negative effects on health;
 - v. consider trends in technical evolution;
 - vi. replace what is dangerous with what is not, or with what is less so;
 - vii. plan prevention, aiming for a coherent system which integrates technology, organisation, working conditions, social relationships and which influences the working environment;
 - viii. give priority to collective protection measures over individual ones;
 - ix. give adequate instructions to workers.

LATI Group uses such principles to take the necessary measures to protect the safety of workers, including professional risk prevention activities, information and training, as well as the development of an organisation and the necessary resources.

Everybody, both at the top and operative levels, must comply with these principles, especially when decisions must be taken or choices made and afterwards implemented.

g. Scope of application

The principles set out in this Code apply to employees of LATI Group and all those who collaborate in the execution of Company activities and in the pursuit of its objectives.

The same principles have to inspire:

- (1) the members of the Board of Directors in taking decisions and planning activities;
- (2) all collaborators during their activities;
- (3) all employees while working for the company.

h. Value of the Code of Ethics

The observance of the principles and rules here outlined are considered by LATI Group as an integral and essential part of the contractual obligations deriving:

- (1) for employees, from employment relations – also in accordance with art. 2104 and 2105 of the Italian Civil Code – (diligence and loyalty of the employee towards the employer);
- (2) for freelance professionals, from their contractual regulations.

The violation of the aforementioned provisions constitutes non-fulfilment of obligations regarding work or collaboration agreements, with every possible consequence of law and contract.

5. RELATIONSHIPS WITH EMPLOYEES AND THIRD PARTIES

a. Relationships with employees

HUMAN RESOURCE MANAGEMENT

Any form of discrimination based on reasons of ethnicity, religion, age, gender, nationality, political or union affiliation, adopted in the policies of employment and termination of contracts, is considered a violation of the present code of ethics.

The Company also attributes primary importance to the protection of minors and to the repression of exploitation practices of any nature towards them. To this end, the Company is committed to respecting and enforcing that its employees, suppliers, collaborators and partners respect current legislation which safeguards work, with particular attention to child labour.

In the search and selection of personnel, LATI Group adopts criteria of objectivity, competence and professionalism, applying the principle of equal opportunities without favouritism, with the aim of securing the best skills available on the labour market.

LATI Group provides for the widest diffusion of the code of ethics among its employees. It is necessary, therefore, that the latter know and observe, to the extent of their competence, the provisions of this code and that, compatibly with their individual possibilities, they promote their knowledge among newly hired employees as well as with third parties interested in its application, with whom they come into contact during the performance of their duties.

Not lastly, LATI Group:

- (1) firmly pays the utmost attention to the valorisation of human resources considering the criteria of professional competence, honesty and dedication the fundamental principles for career prospects of personnel;
- (2) undertakes to protect the psycho-physical integrity of employees in a lasting respect of their personality and dignity, and carries out constant preventive actions so that any discrimination in the workplace is avoided and, where it occurs, appropriately sanctioned.

HARRASSMENT IN THE WORKPLACE

All employees, therefore, are required to maintain a conduct that is always respectful of the personality and rights of colleagues, collaborators and third parties, regardless of their hierarchical position within the company. LATI Group requires that no harassment takes place in internal and external work relationships, meaning as such any aggressive, hostile and disparaging behaviour directed towards a person, that is physically or psychologically persecutory, characterized by repetition, protracted and systematic, susceptible to creating an environment that is not respectful, is humiliating and harmful to the person's psychophysical integrity.

Any form of violence or harassment - psychological, physical and sexual - related to personal and cultural differences is forbidden. They are considered as such:

- making any decision related to the working life of the recipient subject to the acceptance of sexual favours or personal and cultural differences;
- induce their collaborators to sexual favours through the influence of their role;
- to propose private interpersonal relationships, despite an expressed or reasonably evident non-acceptance;
- to allude to disability and physical or psychological impairments or to forms of cultural, religious or sexual orientation.

b. Operations in conflict of interest and unfair competition

The management and employees of LATI Group are required to avoid all situations and activities in which a conflict may arise with the interests of the company or which may interfere with their ability to take impartial decisions in the best interest the company and in full compliance with the principles and contents of the Code or, in a general sense, to exactly fulfil the functions and responsibilities covered. Any situation that may constitute or determine a conflict of interest must be promptly communicated to a superior in a managerial position, or to the body of which he or she is a member, and to the Supervisory Board. Likewise, the involved person immediately abstains from intervening in the operational/decision-making process, and the superior in managerial position or the supervisory body:

- identifies the operational solutions aimed at safeguarding, in the specific case, the transparency and correctness of conduct in performing the activities;
- transmits the necessary written instructions to the interested parties – copied to their own hierarchical superior, as well as the Supervisory Board;
- archives the documentation received and transmitted.

The management and employees of LATI Group are also required to avoid any form of unfair competition with the LATI Group. With particular regard to employees who acquire business, technical, product or process information on the basis of their activity, they are required to

prevent the disclosure of such information both during their employment and after its possible termination.

c. Relationships with external collaborators and consultants.

LATI Group identifies and selects external collaborators (agents, commercial reps, etc.) with absolute impartiality, autonomy and independence of evaluation by considering competence and professionalism as essential factors.

Both employees and anyone dealing with external collaborators and consultants must comply with existing Company procedures and policies.

LATI Group expects its external collaborators and consultants to conduct themselves in full compliance with current regulations. Any act contrary to the principles here stated, or to legal regulations, shall be considered as a breach of contractual correctness and good faith and, as such, can be considered as grounds for interrupting the relationship of trust and as reason for the termination of contractual commitments.

d. Relationships with customers

Conducting its business and managing relationships with its customers, LATI Group:

(1) strictly adheres to legislation, to the principles of the present Code and to internal procedures, asking their employees to avoid any situation of conflict of interests with the Company, aiming to maximise added value in favour of the customer, who is considered a company asset;

(2) privileges ethical behaviour without exception, even if they are in apparent contrast with an immediate interest for the customer.

e. Relationships with suppliers of goods and services

LATI Group undertakes to search for appropriate professionalism and commitment to share the principles and contents of the Code in suppliers and external collaborators, and promotes the construction of lasting relationships for the progressive improvement of performance in the protection and promotion of the principles and contents of the Code.

In the relations of supply of goods and services, LATI Group operates in compliance with the law, this Code and internal procedures adopted also in relation to the current quality management system.

Employees involved in relations with suppliers and service providers must select and manage the related contacts with the same according to impartiality and fairness, avoiding situations

of conflict of interest, even potential ones, with the same, and report to the Supervisory Board the possible existence or onset of such situations. In particular they must:

- observe internal procedures for the selection and management of relations with suppliers and external collaborators;
- not preclude any person with the required requisites from being able to bid for a contract with LATI;
- adopt exclusively objective evaluation criteria in the selection process, according to declared and transparent methods;
- observe and request compliance with contractually agreed conditions.

The compensation to be paid must be exclusively commensurate with the service indicated in the contract and the payments can not in any way be made to a person other than the contractual counterpart nor to a third country other than that stipulated in the contract.

f. Relationships related to market protection and free competition

LATI Group agrees with the principles inspiring the EEC Treaty and therefore avoids uncompetitive acts, agreements and actions which could damage trading or which could prevent, reduce or distort competition in the market.

Furthermore, LATI Group conducts business in a way to avoid the creation of an exclusive position in the common European market or in a substantial part of it.

g. Relationships with Public Administration and Bodies executing activities of public use or interest

In relationships with the above mentioned entities LATI Group acts by strictly respecting European, National and the Company regulations.

Only the competent Company offices may manage discussions, undertaking of commitments and relationships of all kinds with the above mentioned organisations. In relationships with such entities, all employees, external collaborators and consultants must avoid influencing the decision of the involved Bodies, with the aim of obtaining actions contrary to the duties of the same offices.

Should an employee or external collaborator receive a request to operate differently from that which is stated in this Code, he/she must inform the Supervisory Board immediately. The offer of gifts or other benefits to State employees or their relatives, either directly nor indirectly, is not allowed.

In the case of consultants or third parties being used for relations with the public administration, the application of the same rules in force for LATI Group employees will apply to them, and they should be asked to guarantee their compliance with the rules of the present Code during the execution of their contracted services.

LATI Group will prefer to choose consultants and third parties who guarantee, or have guaranteed, to share the philosophy here above expressed.

During a negotiation or a relationship with the public administration, the following actions should not be undertaken:

- to examine or propose job and/or commercial opportunities which can personally benefit public administration employees;
- to offer or provide benefits of any kind;
- to ask or to obtain confidential information which could compromise the integrity of both.

h. Relationships with supervisory or control bodies

LATI Group shapes its relationship with the supervisory and control authorities around the closest cooperation and with full respect of their institutional role, by committing itself to promptly implementing requirements and instructions received.

i. Technological Infrastructure

The IT systems and equipment of LATI Group must never be used for external companies, illegal activities, gambling or pornography. You may not download or save illegal or inappropriate content or programs from the Internet on your company computer.

Employees must always use licensed software in accordance with the terms and conditions of the applicable license agreement. You may not sell, transfer, or otherwise make available to any unauthorized person, any software or related documentation licensed to or from the Company.

LATI employees and collaborators who have access to the information structure are forbidden to:

- share usernames or passwords;
- access, download, create or forward e-mails, documents or images that are offensive or that cause discomfort to others;

- install or use hardware or software on any of the Company's systems unless specifically approved by the IT team.

6. RELATIONS WITH THE COMMUNITY

a. Environmental policy

LATI Group:

- (1) must respect the interests of the community - which should be the aim of each collaborator – to achieve a widespread improvement of the quality of life and of civil cohabitation, pursuing sustainable development to safeguard future generations;
- (2) considers the natural environment as an absolute value and public heritage to be protected and defended and, therefore, makes every possible effort to manage its industrial activity in compliance with such principles;
- (3) studies and develops environmentally compatible products and technologies and is constantly engaged in searching for innovative solutions able to realise harmonious and well-balanced growth. In this context are cited, by way of example, both research and development activities widely and continuously implemented, as well as decisions to abandon productions that, although economically profitable, were not considered perfectly compatible with a correct environmental policy.

b. Trade Unions and political parties

LATI Group does not make donations of any kind, neither directly nor indirectly, to trade unions or political parties or to their representatives or candidates, except according to the procedures and rules in force, and marks relations with these institutions with principles of fairness.

c. Press and media

LATI Group addresses press and media organs only through the corporate bodies and the internal units delegated to do so, in a context of maximum fairness, accuracy and transparency.

d. Confidential Information

Confidential information is considered to be all knowledge acquired by employees or collaborators during their work such as projects, negotiations, deals, proposals, price lists, data base or any other fact or event, even if future and uncertain, concerning LATI Group activity, and the diffusion of which could cause danger or damage as well as an undue advantage or gain in favour of the employee or the collaborator, both internal and external. Due to the features of high technology which characterize LATI Group, and therefore the quality of information that could be acquired by employees or collaborators, a strict respect of manufacturing and commercial secrets must be adopted, both towards third parties and towards persons not delegated with communication roles.

The duty of confidentiality must be observed at all times, and particularly when agreements are drawn up or executed, as in relationships with third parties, as with contacts with the press, and relationships with persons not delegated with communication roles.

As it is contrary to the law, any act of exploitation, economic use and direct or indirect investment deriving from confidential corporate information is strictly forbidden.

The violation of the duty of confidentiality by the employee can undermine the relationship of trust with the employer, in consideration of the specific situation and the consequences of the aforementioned conduct.

In the case of a contract being terminated, and in a brief period after such a termination, should a former worker use confidential information acquired during his/her employment for his/her own personal advantage and which is detrimental to LATI Group interests, LATI Group shall be deemed authorised to file actions to protect its assets and to claim for damages, both as missing profit and as actual loss.

7. ACCOUNTING AND DATA PROCESSING

a. Accounting records

In the accounting of facts related to the management of LATI Group, employees and collaborators are required to scrupulously respect current legislation and internal procedures to ensure that every operation, as well as being correctly recorded, is also authorised and verifiable, legitimate, adequate and coherent.

LATI Group considers correctness, precision, completeness and formal and substantial regularity of records as essential features of the management of accounting data, which must be handled in accordance with the accounting principles set out by law.

Employees and collaborators are required to act with transparency towards LATI Group, towards the appointed auditing firm and towards the members of the board of auditors, as

well as to provide them with the utmost cooperation in carrying out their respective verification and control activities.

Any kind of corporate transaction likely to cause unjust damage to creditors is prohibited. It is forbidden to behave in any way aimed at damaging the integrity of the company assets. It is also forbidden to carry out any act, simulated or fraudulent, aimed at influencing the will of the members of the shareholders' meeting in order to obtain a resolution different from that which would have been taken.

For each operation, adequate documentation supporting the activity carried out is kept in the records, in order to allow:

- easy accounting registration;
- identification of the different levels of responsibility;
- the accurate reconstruction of the operation, the verification of the decision-making process, authorisation and execution of the same, also to reduce the probability of interpretative errors.

Each registration must reflect exactly what is shown in the supporting documentation, in order to be able, at any time, to carry out checks that certify the characteristics and reasons for the operation and identify who has authorised, performed, registered and verified the operation itself. It is the task of employees and collaborators of LATI Group to ensure that the documentation is easily traceable and ordered according to logical criteria. Moreover, if they become aware of omissions, falsifications, negligence of accounting or documentation on which the accounting records are based, they are required to report the facts to their superior or their contact person.

b. Confidentiality and protection of company data

LATI Group protects the confidentiality of data and information related to employees, collaborators and third parties, collected for or during the execution of company business. All information and other material obtained by an employee or collaborator of LATI Group in relation to their job is strictly owned by the company. No employee or collaborator may use this information for his/her own benefit or for the benefit of his/her family, acquaintances and, in general, third parties. Therefore it is necessary to pay particular attention not to disclose confidential information and to avoid any improper use of such information.

Without prejudice to the transparency of activities carried out and in compliance with legislation in force, it is obligatory to ensure the confidentiality required by circumstances for each piece of information acquired during the performance of company activities. The information and/or any other kind of news, data or documents that are confidential, as

related to the operations of each job or responsibility, must not be disclosed, used, or communicated without specification authorisation.

8. SUPERVISION OF THE CODE OF ETHICS AND CONSEQUENCES OF ITS VIOLATION

a. Supervisory body

LATI Group establishes an internal Supervisory Body, which reports directly to the Board of Directors and has independent powers of initiative and control. The Supervisory Body is entrusted to supervise the functioning and application of the Code of Ethics and the code of conduct in compliance with leg. decree 231/2001, as well as to keep them updated.

The Supervisory Body has the task of promoting the dissemination and knowledge of the Code of Ethics, as well as being responsible for its enforcement and updating, activating itself, either by initiative or on the basis of information received, to prevent or contain any possible violations, through the empowered corporate bodies.

Information and reports acquired autonomously or received by the Supervisory Body and the structures used by it, are considered confidential and cannot be disclosed, except as otherwise stipulated by law.

b. Penalties for violation of the Code by employees

The non-compliance or violation of the rules of conduct established by the present Code and by corporate procedure, by employees of LATI Group, constitutes infringement of the obligations of the employment agreement, pursuant to clauses 2104 and 2105 of the Italian Civil Code (diligence and loyalty of the employee towards the employer), as well as being a disciplinary offence.

Possible penalties will be imposed according to conditions of the applicable National Contract (CCNL).

Such penalties will be applied on the basis of the relevance of each considered case and will be proportional to their severity.

The investigation of these offenses, the management of subsequent disciplinary proceedings and the imposition of penalties remain the responsibility of the empowered corporate bodies.

c. Penalties for violation of the Code by managers and directors

In the case of violation of internal procedures and/or the Code of Ethics by managers, LATI Group will evaluate the facts and take appropriate actions against those responsible.

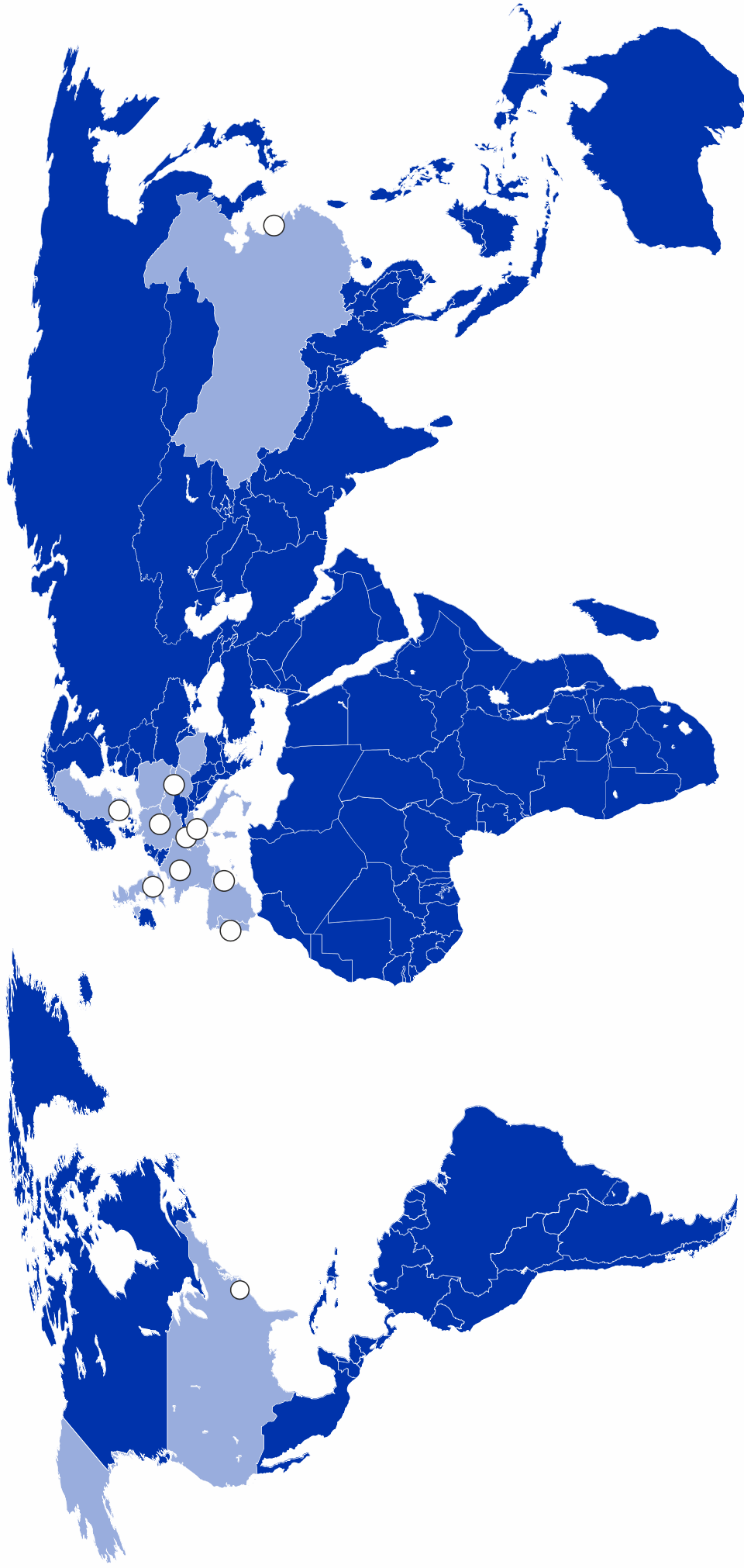
In the case of violation by directors, the Supervisory Body will inform the members of the Board of Directors and the Board of Auditors who will take appropriate action according to laws in force.

d. Penalties for violation of the Code by collaborators, consultants and third parties

Any conduct in violation of the present Code by collaborators, consultants and third parties connected to LATI Group with a relationship not classified as employment, could lead to the termination of the contractual relationship, in accordance with specific clauses contained in the letter of appointment, and may be subject to a request for compensation for possible damages against LATI Group, independent of the termination of contract .

Vedano Olona (VA), 26 July 2018

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LATI Industria Termoplastici S.p.A. - Via F. Baracca, 7 - I - 21040 Vedano Olona (VA)
Tel. +39 0332 409111 - Fax. +39 0332 409307 - <http://www.lati.com> - info@lati.com

