



CODE OF ETHICS

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PART I – INTRODUCTION AND OBJECTIVES

With this Code of Ethics (hereinafter simply referred to as “Code”), the company Losma SpA (hereinafter simply referred to as “Losma” or “the company”) intends to define all the set of values that it recognises, accepts and shares formally, as well as, its rights, duties and responsibilities with respect to all parties with whom it operates in achieving its business purpose.

The Code has been prepared to lay out the principles underpinning the behaviour of all Recipients, whose compliance is considered a determining factor for Losma’s success and inpromoting its assets.

The Code, therefore, identifies the essential values, reference standards, and rules of conduct. It also sets out the principles upon which the conduct of those who work within and/or under the Losma name in relations with customers, whether current or potential, colleagues, associates, suppliers and Public Authorities should be based.

ART. 1 – RECIPIENTS

The Code’s principles and provisions are compulsory for all of Losma’s company representatives (managers and employees) and external associates (consultants, contractors, customers, suppliers etc.)

The company adopts and disseminates this Code, which is addressed to all those who hold relations with Losma; these subjects are required to comply with the principles contained in the Code.

Losma is committed to not initiating or continuing any relations with those who do not intend to abide by the principles of this Code.

ART. 2 - GENERALPRINCIPLES

Losma’s conduct, at all company levels, is based on loyalty, transparency, honesty, and good faith with respect to its customers, personnel, external associates, commercial and financial partners, as well as with respect to Public Administrations and the other parties and Entities with which it comes into contact when carrying out its business.

Loma's management, staff, and all external associates are Recipients of this Code, and are required to follow the principles, contained herein, and to observe national laws, regulations and provisions.

In addition to the rules found within, the Code is also based on respect for others, fair play, cohesion, individual and group accountability, meeting commitments, personal and professional growth; thus, it strongly contributes to creating the company's image, business culture, and working climate.

Respect for the ethical rules and transparency when conducting business is essential in addition to a competitive advantage for pursuing and obtaining Loma's objectives, consisting of creating and maximising the company's value for those who work for the company, customers, and the community as a whole.

ART. 3 – CONFIDENTIALITY AND PROTECTION OF PRIVACY

Recipients must ensure the confidentiality of information acquired as a result of their activities in compliance with the rules in force. The use of this information is limited to the purposes defined by their role.

For this purpose, Losma takes all appropriate steps to protect the security of information and relative documents.

Internal documents may only be disseminated according to the criteria and limitations established in this document. However, communications and information addressed to the public in whichever way they are carried out must be reserved for the administrative body. These must be based on the principles of clarity, completeness and truthfulness.

ART. 4 – PROTECTION OF INTELLECTUAL AND INDUSTRIAL PROPERTY

The company adopts appropriate measures and initiatives to protect its intellectual property and not violate that of others. In particular, the company undertakes to:

- exclusively use creative concepts and processes that it is entitled to use under property and/or payment stipulated with third parties through contractual documents;
- use brands that are at the company's disposal under legal entitlement.

Furthermore, in its relations with suppliers, the company requires, where possible, for the latter to guarantee that the goods and their intended use do not violate the third-party industrial property rights (trademarks and patents).

In these relations, the company adopts appropriate indemnity measures for any claim, legal action, and requests for compensation made by third parties due to the infringement of patents, trademarks, or trade names.

In no case is the marketing of industrial products with counterfeit or altered trademarks, patents or other distinguishing elements permitted, nor deceit the buyer regarding the product's origin, source or quality.

ART. 5 – USE OF COMPUTER SYSTEMS

The company uses IT resources exclusively assigned for the performance of company activities, in full compliance with the regulations on the use and management of computer systems and defined company procedures.

Under no circumstances may IT resources and networks be used for purposes that do not comply with legal, public, policy rules or common decency or in any case aimed at racial intolerance, inciting violence or violation of human rights, or committing or eliciting offences, damaging or altering IT systems or public/private third-party information or illegally obtaining confidential information.

Furthermore, Recipients are not allowed to install unlicensed software on the company computers or use and/or copy copyright-protected documents and materials (audio-visual, paper or photographic creations or recordings) without the owner's authorisation and except in cases in which the activity is part of the ordinary course of the functions entrusted to the company.

Recipients are explicitly prohibited from making illegal *downloads* or sending content protected by copyright law to third parties.

ART. 6 - BOOKKEEPING

Losma considers correctness, completeness of information and transparency to be essential accounting rules and undertakes to adopt these criteria regarding its financial situation and economic trend.

Financial, accounting and management entries must be based on precise, exhaustive and verifiable information and reflect the nature of the transaction in question.

In accounting for the facts relating to Losma's management, employees and collaborators must scrupulously comply with current legislation and internal operating practices so each transaction is not only correctly recorded but also authorised, verifiable, legitimate, consistent and appropriate.

ART. 7 – MANAGEMENT OF FINANCIAL RESOURCES

The management of financial resources must be guided by compliance with current corporate procedures, formalized or not. In particular, each transaction must be supported by adequate and clear documentation in such a way as to allow constant and prolonged control over the reasons, responsibilities and characteristics of the various phases.

In any case, it is forbidden to replace or transfer money, goods or other utilities deriving from a non-culpable crime, or to carry out operations concerning them, to hinder the identification of their criminal origin.

The directors and function managers are required to check the effective application of the procedures by the subordinate personnel.

PART II – EXTERNAL RELATIONS

ART. 1 - CUSTOMER RELATIONS

The company wants to guarantee full satisfaction of the needs of its customers and assets to create a solid relationship based on the values of correctness, loyalty, efficiency and professionalism, ensuring relationships based on compliance with the law, with particular reference to laws regarding money laundering and usury.

In particular, it is forbidden to offer money or other benefits (for example, of significant value) to an employee of the Client company to obtain an advantage for the company.

ART. 2 – SUPPLIERS AND EXTERNAL ASSOCIATES

Relations with third parties (customers, suppliers, external associates, commercial partners) must be based on loyalty and correctness. It is prohibited to receive or make donations, favours or benefits of any kind, except for gifts or acts of commercial courtesy of modest economic value, provided that they are not aimed at obtaining an undue advantage.

Suppliers are selected according to the criteria of convenience, efficiency and affordability for Losma and agreements are entered into to create a solid base for mutually- beneficial, long-lasting relations. In particular, anyone who operates during the purchase of goods or services is required to comply with the following principles of conduct:

- verify the identity of the third-party subjects with whom the company's interfaces;
- formalize and document the reasons underlying the choices and economic amounts;
- adopt the principle of separation of roles, where possible;
- comply with and have others comply with legal provisions and contractual conditions;
- always act in compliance with the principle of correctness, affordability, and quality.

ART. 3 – RELATIONS WITH PUBLIC INSTITUTIONS

Relations with Institutions and Public Administrations, Entities, Associations, political and trade union organisations are based on correctness, impartiality and independence and are held by Losma's Chairman.

In particular, individuals who, in conducting their work, engage in any relations with the Public Administration, as well as external associates, partners, and any other external party must operate truthfully and correctly.

In any case, it is prohibited to receive and or unduly offer or promote benefits donations, or any avail, whether direct or indirect, to public officials and/or employees or those who perform public functions.

In any case, it is forbidden to promise, offer or in any way pay or provide, as well as accept or receive from third parties sums, goods in kind or other benefits (except in the case of gifts or benefits of modest value and in any case compliant to normal commercial practice), also following unlawful pressure, in a personal capacity to officials or private interlocutors, with the aim of promoting or favouring the company's interests. The provisions mentioned above cannot be circumvented by resorting to different forms of aid or contributions, such as assignments, consultancy, advertising, sponsorship, employment opportunities, commercial opportunities or otherwise.

Furthermore, it is forbidden to supply or promise to supply, solicit, or obtain confidential information and/or documents or in any case such as to compromise the integrity or reputation of one or both parties, in violation of the principles of transparency and professional fairness.

In the case of commercial relations held with the Public Administration, including participation in public tenders, it is essential to operate in compliance with the law and correct business practices.

ART. 4 – RELATIONS WITH JUDICIAL AUTHORITIES

Concerning possible requests from the Judicial Authority, and generally in any contact with the same, the company undertakes to provide maximum collaboration, make truthful statements that are representative of the facts, refrain from behaviours that may cause hindrance, with absolute compliance with the law and conforming to the principles of correctness, loyalty and transparency.

Furthermore, all Recipients involved in legal proceedings must provide effective collaboration and make truthful, transparent statements that represent the facts.

It is explicitly prohibited to:

- Act in any way that may favour or damage any of the parties in question in the course of the proceedings.
- Influence, in any shape or form, the will of the subjects called to respond to the Judicial Authority to ensure that statements and declarations of facts are truthful.
- Promise or offer money, gifts or other types of benefits to subjects involved in legal proceedings or those close to them.

ART. 5 – CONFLICT OF INTERESTS

In carrying out its activities, Losma works to avoid encountering conflicts of interests, whether actual or potential.

Any employees who are in a situation of conflict of interests, even only potential, must immediately report it to their superior, who shall decide upon the action to be taken.

ART. 6 – RELATIONS WITH AUDITORS AND ACCOUNTANTS

The company bases its relations with the Auditors and Accountants on the utmost diligence, professionalism, transparency, collaboration, in full compliance with their institutional role, and promptly implementing the requirements and any required obligations. Particularly, Auditors and Accountants must have free access to information, documents and data needed to carry out their roles. It is prohibited to prevent or hinder the carrying out of auditing activities legally entrusted to the auditing companies or other corporate bodies or to influence the independence of judgement of these subjects to alter the representation of the company's patrimonial, economic and financial situation.

ART. 7 – INTRAGROUP RELATIONS

Losma recognizes the autonomy of the companies (branches) of the group to which it asks to conform to the values expressed by the code of ethics and to pursue compliance with the regulations in force in the countries in which the business is carried out.

Conduct that aims to obtain the exclusive interest of the individual group company, and that be prejudicial to the interest and/or image of the other group companies is prohibited.

In particular, those who hold corporate positions or positions within the group have a duty to:

- regularly participate in the meetings to which he or she is invited;
- carry out the tasks within its competence with loyalty and correctness, operating in the interest of the group's objectives ;
- carry out the tasks within its competence with loyalty and correctness, operating in the interest of the group's objectives.

PART III – INTERNAL RELATIONS

ART. 1 – EMPLOYEES AND ASSOCIATES

Losma offers equal opportunities in career development, not allowing arbitrary discrimination guaranteeing everyone the same career possibilities and basing all relations on the principles of fairness, correctness and loyalty with an appropriate merit-based policy for the company's needs.

Relations among employees, regardless of their level of responsibility, are carried out with loyalty, correctness and respect, without prejudice of the roles and various functions within the company. Each manager uses the power related to their office within the company with objectiveness and fairness, promoting the career development of their staff and improvement of working conditions. Each employee works cooperatively, carrying out their tasks responsibly, efficiently and with diligence.

The company must include in the company staff, both through fixed-term and permanent contracts, foreign workers with a valid residence permit, and monitor the effective renewal of the permit according to legal terms.

ART. 2 – STAFF TRAINING AND DEVELOPMENT

Staff training is an essential instrument for the continuous development of the knowledge and ability of the company's human resources.

Training is carried out with the utmost care to meet the company's needs and satisfy the expectations and requests in terms of individual and professional development of the staff.

All staff members take part in the training process guaranteeing dedication, professionalism, and team spirit.

ART. 3 – HEALTH AND SAFETY

Losma guarantees a working environment that complies with the existing occupational health, safety and hygiene rules according to the current legislation by monitoring, managing, and preventing work risks.

ART. 4 – ENVIRONMENTAL PROTECTION

When carrying out their tasks, Recipients must work according to current environmental protection and safeguarding legislation as well as with a focus on the correct use of resources and respect for the environment.

PART IV – IMPLEMENTATION PROCEDURE

ART. 1 – APPLICATION AND DISSEMINATION

Losma undertakes to disseminate this Code to all Recipients. For this purpose, the director and/or each Recipient must sign a specific statement confirming they have read and understood the document.

Losma undertakes to send a copy of this code by certified e-mail (PEC) to all external associates, customers, and suppliers, who will must acknowledge to be familiar with and willing to abide with the principles and values contained in the same and in the Model.

Losma has implemented this version of the Code of Ethics since 25/03/2016.

ART. 2 – DISCIPLINARY SYSTEM

Breach of this Code damages the relationship of trust established with the company and may cause the activation of legal proceedings and the adoption of measures, against the Recipients, according to the legal requirements and the contractual framework.

Each Recipient must promptly inform their direct manager of the onset of dynamics that could interfere with the correct management of work activities.

Reports of the breach must contain sufficient information to identify the extent of this breach to enable the performance of an appropriate analysis.

Investigation of infringements, disciplinary procedures, and the imposition of sanctions will be carried out in accordance with the provisions of Italian Law 300 of 20th May 1970, the CCNL (National Collective Labour Contract), the Losma Bylaws, and internal provisions.

Regarding external associates, each breach constitutes a source of contractual liability and will be sanctioned according to the provisions of the reference standard.