



**Code of Ethics and Conduct**

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# 1 Introduction

Precision Spring Europa S.p.A. (hereinafter also PSE or the Company) is one of the leading companies in the production of retaining ring, snap rings , elastic bands, balnked parts and springs for molds. Since 1968, he has collaborated with leading customers in the Automotive, Home Appliances, Die Sets and Windpower sectors. Thanks to partnerships with major OEMs (Original Equipment Manufacturers), it has continuously improved production, research and development and quality control processes, to offer a range of customized products at extremely competitive prices.

Due to the size and geographic extension of its activities, PSE plays an important role with respect to the economic development and well-being of the communities in which they are present.

For this reason, this Code of Ethics and Conduct (hereinafter the "Code") has been prepared, part of a more complex organizational system based on ethics, transparency and legality, the observance of which is of fundamental importance both for the proper functioning and reliability of the Company, both for the protection of its prestige, image and know-how, factors which constitute a decisive asset for the success of the company.

The Code contains a set of values ​​and guidelines that must be respected by all those who come into contact with the company or, more generally, are legitimate stakeholders in the company.

The Company welcomes and encourages constructive contributions on the contents of the Code by both employees and third parties.

# 2 The values

The constant search for the excellence of its products and the service offered to customers through the continuous improvement of existing products and the development of new products and new technologies, the improvement of professionalism and the enhancement of human resources, respect for all Stakeholders (Customers, Suppliers, Employees, commercial and financial partners, Shareholders, Members of corporate bodies, etc.), attention to the natural environment and to health and safety in the workplace are the values ​​that inspire the Company .

All PSE activities in compliance with the ethical principles referred to in this Code, wherever carried out, both in Italy and abroad, must be conducted, in compliance with the law applicable from time to time and with loyalty, honesty, integrity, correctness , good faith, transparency, efficiency and openness to the market in compliance with the legitimate interests of all Stakeholders. All those who work and operate for the Company, without distinction or exception, are committed to observing and enforcing these principles within the scope of their functions and responsibilities.

The Company also operates within the framework of the principles established to protect the freedom and dignity of man by the Universal Declaration of Human Rights of the UN (United Nations Organization) as well as by the fundamental conventions of the ILO (International Labor Organization).

# 3 Recipients

The Code must be observed by all Directors, Statutory Auditors, Statutory Auditors, Employees, Collaborators (to be understood as consultants, agents, managers, partners, collaborators in general), hereinafter collectively the Recipients.

The Company condemns any behavior that conflicts with the values, principles and provisions laid down by the Code even where such behavior is supported by the presumed belief of acting for the benefit or in the interest of PSE.

Compliance with the rules of the Code must be considered an essential part of the contractual obligations of the Recipients.

The violation of the rules of the Code may constitute a breach of the obligations of the employment relationship or a disciplinary offense, with all the consequences envisaged by the law and may also entail compensation for damages deriving from the same.

For full compliance with the Code, each Recipient may contact their hierarchical superior and / or directly to the Management.

# 4 Policies of Business Conduct

## 4.1 General principles

The Company, in managing the business and business relations, is inspired by the principles of legality, loyalty, honesty, integrity, correctness, good faith, transparency, efficiency and openness to the market and compliance with all the laws and regulations in force in the countries in which it operates.

Every operation and commercial transaction must be correctly recorded, authorized, verifiable, legitimate, coherent and congruous.

Recipients whose actions may in some way be related to the Company must follow correct conduct in the Company's affairs in relations with third parties, regardless of the competitiveness of the market and the importance of the deal dealt with.

Economic resources, as well as the assets of the Company, must not be used for illegal, incorrect or even only dubious purposes. No advantage may derive to the Company from illegal practices, illegitimate economic benefits or of any other type.

## 4.2 Situations of conflict of interest

All business decisions and choices made on PSE's behalf must correspond to its best interest.

The Company recognizes and respects the right of its Directors and Statutory Auditors to participate in business or other activities other than those carried out in the interest of the Company, provided that they are activities permitted by law, not in conflict with the activity carried out for the benefit of the Company and compatible with legal obligations and with those assumed towards the Company itself.

Employees must comply with the obligations established by law and by applicable (collective and individual) employment contracts and, in particular, scrupulously comply with the obligation of loyalty towards the Company by refraining from dealing business on their own or on behalf of third parties in competition with the Company and the prohibition to disclose information relating to the Company as established in paragraph 4.3 below.

Any situation that constitutes or generates a possible conflict must be immediately reported to one's immediate superior in writing.

## **4.3 Confidentiality obligation**

The knowledge developed by the Company constitutes a fundamental resource that each Recipient must protect. The protection of the confidentiality of the data and information of third parties communicated to the Company is a fundamental value for the reputation of the Company and the trust that its customers place in the latter.

Any news, information and other material relating to business organization, negotiations, financial and commercial transactions (contracts, deeds, reports, notes, studies, drawings, photographs, software) and in general any sort of information relating to PSE to its know-how with its design, production, sales, strategic planning, advertising dissemination, product pricing criteria and in general any element concerning the activity carried out by PSE as well as any information obtained from third parties ( customers, suppliers, employees, etc.) in carrying out the Company's interests (hereinafter "Information") obtained from a Recipient in relation to his / her work for the Company are strictly owned by the Company itself or by the third party that has communicated to the Company.

Therefore, the Recipients are required not to communicate, disclose or use such information except for the fulfillment of the tasks or tasks entrusted to them. The confidentiality obligations referred to in the Code remain even after the termination of the relationship with PSE until the Information becomes public for reasons not attributable to the Recipient.

## **4.4 Gifts and other benefits**

In the exercise of the working activity or in representing the Company it is not allowed, even if not for the purpose of obtaining a profit or an advantage, to pay or offer, directly or indirectly, gifts, payments, material benefits or other benefits of any size to customers , suppliers, public officials or third parties in general.

Acts of commercial courtesy, such as gifts or forms of hospitality, are permitted when they are of modest value and in any case such as not to compromise the integrity or reputation of one of the parties and cannot be interpreted, by an impartial observer, as aimed at gaining benefits improperly. In any case, this type of expense must always be authorized by the competent company function and adequately documented.

## 4.5 Competition

In line with the general principles set out above, the Company recognizes the fundamental importance of a competitive market and particularly pursues its own success by offering innovative products, technologies and services.

The Recipients therefore undertake to comply with the competition rules applicable where they operate, avoiding practices (creation of cartels, partitioning of markets, limitations on production or sale, conditional agreements, etc.) such as to represent a violation of competition laws. and the values set forth in this Code.

# 5 Employees

**5.1 General principles**

The Company recognizes that the motivation and professionalism of its Employees are an essential factor for maintaining competitiveness, creating value for shareholders and customer satisfaction.

Each Employee has the right to work in an environment free from any kind of discrimination based on race, ethnic or national origin, disability, language, religion, class, age, sex, sexual orientation, trade union or political, or any other nature.

The Company is committed to developing the aptitudes and potentials of each Employee in the performance of their skills and encourages participation in refresher courses and training programs as part of the achievement of corporate objectives.

The Company protects the psycho-physical integrity of all Employees, respect for their personality, preventing them from undergoing illegal conditioning or undue inconvenience.

Employees are hired solely on the basis of regular employment contracts, as no form of irregular work is tolerated. The candidate must be made aware of all the characteristics relating to the employment relationship.

**5.2 Employees in positions of responsibility**

Anyone in the role of executive, manager or boss must set an example and provide leadership and guidance in accordance with the principles of business conduct contained in the Code.

The decisions taken by Employees in positions of responsibility must be based on principles of sound and prudent management, through the careful assessment of potential risks, in the awareness that their choices contribute to the achievement of positive company results.

All managers, officers and bosses are responsible for ensuring the protection of those who have reported violations of the Code in good faith.

**5.3 Equal opportunities**

The Company offers everyone the same job opportunities and professional growth, ensuring that everyone can enjoy fair treatment, based on merit criteria, without any discrimination.

**5.4 Harassment**

The Company considers absolutely unacceptable any type of harassment or unwanted behavior, such as those related to race, sex or other personal characteristics, which have the purpose and effect of violating the dignity of the person to whom such harassment or behavior is directed, both inside and outside the workplace.

**5.5 Work environment**

Employees must strive to maintain a decent work environment, where everyone's dignity is respected. In particular, each Employee:

- must not carry out their work under the influence of alcohol or drugs;

- must strictly comply with the ban on smoking in the workplace and, in places where smoking is not prohibited by law, must be sensitive to the needs of those who may experience physical discomfort due to the effects of "passive smoking";

- must avoid harassing, offensive or discriminatory behavior towards colleagues or subordinates.

**5.6 Gifts or other benefits**

Employees are prohibited from accepting, even indirectly, money, gifts, benefits or other utilities, except those that are acts of commercial courtesy of modest value and in any case such as not to compromise the integrity or reputation of the Company in relation to relationships with any third party with whom the Company has an existing relationship, in order to influence its decisions, in view of more favorable treatments or undue services or for any other purpose;

Employees who receive offers of the above benefits, not directly attributable to normal courtesy relations, must refuse them and promptly inform their superior and / or Management.

**5.7 Company assets**

The Company's corporate assets consist of tangible assets, such as, for example, property and furnishings, infrastructure, equipment, cars, machinery, computers and intangible assets, such as confidential information, know-how, technical knowledge, developed and disseminated to and from members of Management and Employees, license rights, trademarks and patents.

Security, or rather the protection and conservation of these assets, is a fundamental value for the protection of corporate interests.

Each member of Management and each Employee is personally responsible for maintaining this security, by complying with and disclosing company directives on the matter and preventing the fraudulent or improper use of company assets.

The use of the assets of such assets by the Management and the Employees must be functional and exclusive to the performance of company activities or for the purposes authorized by the company functions concerned.

**5.8 Mobility tools and company IT systems**

Each Employee is required to work diligently to protect the company's mobility tools and IT systems, using the resources entrusted to them with care and responsibility, in compliance with the policies in force, avoiding any improper use that could cause damage or reduction in efficiency. or of value, or in any case contrary to the interest of the Company and the law and is responsible for the protection of such assets against loss, theft and unauthorized use or disposal.

In specifying that mobility tools, IT and telematic resources and e-mail are work tools, all Recipients must keep in mind that the use of these assets must always be inspired by the principles of legality, diligence and fairness. In particular, the Recipients who use the company IT systems must adopt the additional internal rules, aimed at avoiding incorrect behavior, whether they are aware and / or unaware, which could cause damage to the Company, to other Recipients, to commercial partners or third parties, in compliance with the indications provided by the competent corporate function.

Network drives are strictly professional information sharing areas and cannot in any way be used for other purposes.

The Company reserves the right to proceed with the removal of any file or application that it deems to be dangerous for the security of the system or acquired or installed in violation of this Code and the policies in force.

Since, in the event of contractual and legal violations, both the Company and the individual Recipient who makes use of the Company's information systems are potentially punishable with sanctions, including of a criminal nature, the Company will verify, within the limits permitted by legal and contractual regulations, compliance with the rules and the integrity of its computer system, also adopting measures to prevent the connection of company systems to sites containing material with indecent, offensive or illegal content in any form.

**5.9 Collaboration and information obligations**

All Employees are obliged to:

- show their cooperation in order to intercept possible violations of the Code;

- contact the hierarchical superior and / or directly to the Management for clarifications on the methods of application of the Code;

- promptly report to the hierarchical superior and / or directly to the Management:

o any news, directly detected or reported by others, regarding possible violations of the Code;

or any request made to them to violate the Code.

**6 External Relations**

**6.1 General principles**

The Company undertakes to promote and request compliance with the laws and principles of this Code by any third party with which it has a legal relationship.

**6.2 Customers**

The Company pays constant attention to the quality of the relationship with all those who purchase or commission the creation of products or services of the Company (hereinafter "Client / s") and to its continuous improvement. Customers are an integral part of the Company's corporate assets.

In relations with Customers, each Recipient represents the Company and to this end must base their behavior on professional respect for the confidentiality of the information acquired in the course of the activity, as well as the current legislation on the protection of personal data.

The Company considers it essential that its Customers are always treated fairly and honestly and, therefore, requires the Recipients of the Code to ensure that every relationship and contact with customers is based on full compliance with the Company's values.

In particular, Employees are required to:

- scrupulously observe all the internal rules and procedures for managing relations with customers;

- provide accurate and exhaustive information about the products and services offered by the Company;

- to fulfill with care and professionalism what is established in the contracts stipulated by the Company in order to satisfy the reasonable expectations and needs of the Customers;

- oppose and reject any behavior aimed at obtaining confidential information in compliance with current antitrust and fair competition legislation;

- to safeguard one's own and others' intellectual property rights, including copyrights, patents, trademarks and identification marks, by complying with the policies and procedures provided for their protection.

**6.3 Suppliers**

The Company recognizes that attention to the selection and control of all those who provide products or services to the Company, including freelancers (hereinafter "Suppliers") is an essential element for offering quality, safe and competitive on the market.

Even in relations with Suppliers, each Recipient represents the Company and, to this end, must base their behavior on professional respect for the confidentiality of the information acquired in the course of the activity, as well as the current legislation on the protection of personal data.

The Company also considers it essential that its Suppliers are always treated fairly and honestly and, therefore, requires the Recipients of the Code to ensure that all relationships and contacts with them are based on full compliance with the Company's values.

In particular, in the supplier selection process, objective and transparent assessments of their professionalism and business structure, quality, price, service and delivery methods will be taken into account with the aim of obtaining the best possible conditions. in terms of safety quality and costs of the products and / or services offered. Furthermore, their appreciation on the market, their ability to meet the confidentiality obligations imposed by the nature of the service offered, as well as the social responsibility criteria and their compatibility and adequacy to the size and needs of the Company will be assessed.

Employees must maintain a frank and open dialogue with Suppliers, in line with good commercial practices, requiring them to carry out their business following standards of conduct consistent with those indicated in the Code. In particular, they must ensure seriousness in the business, respect the rights of their workers, invest in quality and responsibly manage environmental and social impacts.

**6.4 Competitors**

The Company particularly pursues its business success on the market through the offer of innovative and competitive products and services and in compliance with all national and international regulations aimed at protecting fair competition.

In particular, within the framework of the current national and international competition regulations, the Company's activities and the behavior of the Recipients must be inspired by the most complete autonomy and independence from the conduct of competitors in the relevant markets in compliance with the values ​​of the Code.

**6.5 Public Institutions**

In relations with Italian or foreign Authorities and Public Institutions, with their officials and employees, with public officials and persons in charge of public service, the Recipients must act in full compliance with the principles of this Code, the applicable legislation and in any case with fairness and transparency.

Relations with trade unions and political parties must be managed only by the functions and employees delegated to do so.

With reference to relations with Authorities and Public Institutions, and without prejudice to acts of commercial courtesy within the limits of what is established in point 4.4 above, the Recipients are prohibited from promising or offering, directly or through third parties, to public officials or persons in charge of public service, or to employees in general gifts (not only in the form of sums of money, but also goods), benefits or other utilities to promote or favor the interests of the Company when undertaking commitments and / or managing relations of any nature.

The Company collaborates fully, transparently and effectively with the Authorities and Public Institutions in their usual verification and control activities.

The Recipients are required to verify that the public grants, contributions or subsidized loans, disbursed to the Company, are used for the performance of the activities or the implementation of the initiatives for which they were granted; any use other than that for which they were provided is prohibited.

**6.6 Trade union organizations and political parties**

Any relationship of the Company with trade unions, political parties and their representatives or candidates must be based on the highest principles of transparency and fairness. These relationships are based on favoring a correct dialogue, without any discrimination or diversity of treatment, in order to foster a climate of mutual trust.

Relations with trade unions and political parties must be managed only by the functions and employees delegated to do so.

Economic contributions from the Company are allowed only if expressly permitted by law and if authorized by the competent corporate bodies.

Any contributions from individual Employees, as well as the activity they perform, are to be understood exclusively as paid on a personal and voluntary basis.

**6.7 Community**

The Company and its Employees are strongly committed to behaving socially responsible, respecting the essential values ​​of a clean environment and a healthy and safe workplace, ensuring that the cultures and traditions of each country in which it operates are observed and respected. .

In accordance with the fundamental ILO Conventions, PSE does not employ child labor, i.e. it does not employ people under the age established for starting work by the regulations of the place where the work is performed and, in any case, under the age fifteen years, subject to the exceptions expressly provided for by international conventions and possibly by local legislation. The Company also undertakes not to establish business relationships with suppliers who employ child labor, as defined above.

**6.8 Communications and corporate information**

The Company recognizes the primary role of clear and effective communication in internal and external relations. In fact, communication and external relations directly and indirectly influence company development.

It is therefore necessary that these activities are organized according to clear and homogeneous criteria, which take into account both the needs of the various business lines and the economic and social role of PSE as a whole.

The information to the outside must in any case be timely and coordinated at the management level, in order to derive all the benefits deriving from the size and potential of the Company.

Employees appointed to disclose to the public information relating to Company sectors, business lines or geographical areas, in the form of speeches, participation in conferences, publications or any other form of presentation, must comply with the specific provisions issued by the Management and receive, if necessary, the prior authorization of the Chief Executive Officer.

**6.9 Relations with the media**

Communication to the media plays an important role in creating the image of PSE. Therefore, all information concerning the Company must be provided truthfully, accurately and consistently in accordance with company policies and programs.

Relations with the press and other mass media are reserved for the relevant corporate bodies and functions.

The promotion of the Company respects the ethical values ​​set out in this Code, repudiating the use of vulgar or offensive messages. The Company takes care of the information published on the institutional website in order to make it a complete, effective tool in line with market expectations.

**7 Health, safety and environment**

The Company's goal is to protect human resources and environmental protection by constantly seeking the necessary synergies both internally and externally with customers, suppliers, subcontractors, business partners and companies involved in PSE activities.

The Company therefore undertakes to comply with the legislation and regulations in the field of health, safety and the environment, to involve all stakeholders on these issues with particular, but not limited to, the improvement of health and safety conditions in the workplace in order to prevent accidents or occupational diseases and to comply with the principles of minimizing the environmental impact and optimizing the use of resources.

The Company undertakes to produce and sell, in full compliance with legislative and regulatory requirements, products that meet the highest standards in terms of environmental performance and safety.

The Company informs all Employees about the specific tasks assigned and requires them to make the utmost commitment to achieve the aforementioned objectives.

Each Employee must not place the other Employees in front of unnecessary risks that could cause damage to their health or physical safety.

Each Employee is required to:

- correctly use the equipment, means and other work equipment, as well as the safety devices in an appropriate manner;

- report the deficiencies of the means, devices and equipment as well as any other dangerous conditions of which it becomes aware, working directly, in case of urgency, within the scope of its competences and possibilities, to eliminate or reduce such deficiencies or dangers;

- not to remove or modify the safety, signaling or control devices without authorization;

- not to carry out operations on their own initiative that are not within their competence or that may compromise their own safety or that of other workers or the surrounding environment;

- undergo the medical examinations and health checks required for him by current legislation.

Each Employee must take care of their own safety and health and that of other people present in the Company's workplaces, whether they are internal to the Company or in external places; in the latter case, each Employee must also ensure that the risk of interference is correctly managed and that potentially dangerous situations and the surrounding environment are avoided, which may affect the effects of his actions or omissions.

**8 Administration, finance and control**

The Company's commitment is aimed at maximizing long-term value for shareholders.

In carrying out this practice, the Company operates with the utmost transparency in line with best business practices.

The principle of transparency in accounting records does not only concern the work of the Management and the Employees assigned to the administrative offices, but applies to each member of the Management and Employee, in any company environment he operates.

Accounting transparency is based on the truth, clarity and completeness of the basic information for the related accounting records.

The Management and the Employees are therefore required to collaborate so that the management facts are correctly and promptly represented in the accounts.

All the operations carried out must be duly authorized, verifiable, legitimate and consistent with each other.

Adequate supporting documentation of the activity performed is kept in the records for each operation, in order to allow:

- easy accounting registration;

- identification of the different levels of responsibility;

- the subjective traceability of the transaction;

- accurate reconstruction of the transaction, also to reduce the probability of interpretative errors.

Each record must reflect exactly what is shown in the supporting documentation. It is the duty of each member of the Management and Employee to ensure that the documentation is easily traceable and ordered according to logical criteria and according to the procedures established by the Company.

All accounting or financial documents and in particular those intended for public authorities or to be disclosed to the public must be complete, accurate, reliable, clear and understandable.

All payments must be made in full compliance with the laws in force and internal procedures and properly recorded and documented.

The Company adopts rigorous business processes that ensure management decisions (including those relating to investments and disposals) based on sound economic analyzes that include a prudent assessment of risks and provide the guarantee that company assets are used in an optimal manner.

The Company ensures that decisions on financial, tax and accounting issues are taken at an appropriate managerial level.

Directors, members of Management and Employees who become aware of omissions, falsifications, negligence of the accounting or of the documentation on which the accounting records are based, are required to report the facts to the respective hierarchical superior (if any) and / or to the Management.

**9 Reporting of violations or requests for information**

The Code and its updates are brought to the attention of all Recipients (internal and external) through adequate communication and dissemination activities so that the values ​​and principles contained therein are known and applied.

The Code of Ethics is published on the website accessible to all.

Any information regarding the possible violation of the principles set out in this Code or the spirit of the same must be immediately reported to the competent functions in accordance with the terms and procedures set out in this paragraph.

Any report from Recipients of violation of the rules and principles of this Code and / or clarifications regarding it must be promptly addressed in writing as follows:

- if coming from the Employees to their hierarchical superior as part of the normal company report or directly to the Management;

- for any other Recipient directly to the Management.

The contact details of the Management are as follows:

- mail: signalazioni@pse-group.com

- telephone: +39 - 02 92019428

- postal addresses: PSE Direction - Via Umbria 4 Grezzago [MI]

In any case, in the presence of reports received from Employees, the hierarchical superior is obliged to inform the Management without delay about such reports, the progress of any investigations and any measures taken.

The report may be made by any means, either by sending a letter by post, including internal, or by e-mail addressed to the e-mail address of the hierarchical superior or to the one specifically prepared and reserved for the Management.

Anonymous reports are allowed even if the identification of whistleblowers is encouraged in order to better and more complete information collection.

Any form of retaliation against anyone who has made reports in good faith of possible violations of the Code or requests for clarification on the application methods of the Code constitutes a violation of the Code. The behavior of those who accuse other employees of violating the Code with the knowledge that such violation does not exist also constitutes a violation of the Code.

Each Recipient is encouraged to request further information or clarifications regarding the principles of this Code.

**10 Procedure and disciplinary sanctions**

The violation of the rules of the Code, meaning as such the commission of actions or behaviors that do not comply with the provisions of this Code or the omission of actions or behaviors prescribed therein, by the Employees may constitute a breach of the obligations of the employment relationship, with any consequence provided for by the regulations in force and by collective agreements, where present, also with regard to the preservation of the employment relationship and may also entail compensation for damages deriving to the Company.

The types of sanctions are provided for by the regulations or collective bargaining in force. They will be proportionate to the gravity of the violation and never such as to harm the dignity of the human person.

The sanction is imposed by the competent corporate function.

As for the non-compliance with the provisions of this Code of Ethics by the other Recipients, the related sanctions will be those provided for by law and / or contained in the respective legal relations in force with the Company.

# 11 Applicable law

Precision Spring Europa S.p.A. is a company incorporated and regulated by Italian law. However, the same company operates in an international context and therefore many of its activities are subject to the discipline of other legal systems as well as to that of applicable international conventions.

In the event that the provisions of this Code should be in contrast with the legislation of other systems, the Recipient must immediately contact the hierarchical superior and / or the Management at the addresses and in the manner referred to in paragraph 9 above, in order to obtain the necessary instructions.