



Axxam SpA

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SANCTIONING CODE
in accordance with Legislative
Decree 231/2001

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INDEX

1.	Objective and scope	3
2.	Glossary.....	4
3.	The recipients	4
4.	The Supervisory Body.....	4
5.	Assessment Guide.....	5
6.	Relevant conduct	5
7.	Employee sanctioning system.....	6
8.	Sanctioning system for managers (top management and managers with delegation of function pursuant to Article 16 of Legislative Decree 81/08 and non-top management)	7
9.	Measures against the CEO/CFO.....	8
10.	Measures against the supervisory bodies	8
11.	Measures against third-party addressees.....	8
12.	Sanctions against those who make false reports with negligence/wilful misconduct and those who violate the whistleblower's protection measures	8

1. Objective and scope

The following disciplinary system is adopted by Axxam S.p.A. ("Axxam" or the "Company") for the purpose of sanctioning non-compliance with company procedures and contractual agreements, with particular reference to the Company's bylaws, the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 ("Model") and related documentation as well as the *whistleblowing* system.

This disciplinary system is communicated to workers (employees and managers) and collaborators through publication on the company intranet and on the Company's website.

Considering the seriousness of the consequences for Axxam in the event of non-compliance with the Model, the Code of Ethics and the documentation referred to therein, by:

- of workers,
- Administrators
- of the prosecutors,
- the Corporate Control Bodies (Supervisory Body and Board of Statutory Auditors),
- of the subjects expressly delegated to carry out specific activities,

Each individual violation is subject to the disciplinary sanctions indicated below. Each breach also constitutes a breach of duty of care and loyalty which, in the most serious cases, damages the relationship of trust with Axxam.

The application of the disciplinary system is independent of the course and outcome of any criminal proceedings initiated by the competent judicial authority, if the conduct to be criticised leads to the integration of a relevant offence pursuant to Legislative Decree 231/01.

However, Axxam reserves the right to claim compensation for damages resulting from the violation of the Model by the aforementioned subjects.

The CEO (*Chief Executive Officer* - Employer) and the HRD (*Human Resources Director*) are responsible for the application of the sanctioning code.

The Supervisory Body, which verifies the correct interpretation and evaluation of the Model, may ask those responsible to apply the sanctions provided for in the code for non-compliance detected.

Disciplinary sanctions are applied to Axxam employees in compliance with the procedures, provisions and guarantees provided for by the Workers' Statute, the applicable CCNL, individual employment contracts and any additional second-level company contracts that may be applicable.

This disciplinary system integrates and does not replace the more general sanctioning system concerning the relationship between the Employer and the employee and the legislative provisions in force. At the time of hiring, each Worker is informed of these provisions, and may also consult the CCNL in force on the company Intranet.

2. Glossary

CEO	<i>Chief Executive Officer</i>
HR	<i>Human Resources</i>
HRD	<i>Human Resources Director</i>
CCNL	National Collective Bargaining Agreement
RSPP	Head of the Prevention and Protection Service
CFO	<i>Chief Financial Officer</i>
Cda	Board of Directors

3. The recipients¹

The following are required to comply with the Code of Ethics and the provisions of the Model, and therefore are recipients of this disciplinary system:

- persons who, within Axxam - or one of its organisational units with financial and functional autonomy, and/or subsidiaries, or partnerships - hold representation, administrative, management or supervisory functions of the Company - including members of the Board of Directors and those of the Board of Statutory Auditors as well as persons who exercise, even de facto, the management and control of the same (Top Managers);
- persons subject to the management and supervision of one of the persons in a top position (employees);
- other parties who, for various reasons, have contractual relationships with Axxam or operate directly or indirectly with it (such as, for example, third party recipients).

Employees linked to Axxam by an employment relationship are subject to supervision, regardless of the contract applied, the qualification and/or the recognized company classification (non-top managers, middle managers, white-collar workers, blue-collar workers).

The other recipients of the Model and the related disciplinary system are, by way of example, those who have an employment relationship that is not of an employment nature (e.g. collaborators or consultants or temporary workers), attorneys and agents who operate in the name and/or on behalf of Axxam, contractors and commercial partners (suppliers, subcontractors, etc.), the subjects who carry out specific tasks and functions in the field of occupational health and safety protection (the competent doctors, and, if external, the RSPP).

4. The Supervisory Body

¹ The sanctions provided for in this document also apply to the non-compliant conduct of directors, attorneys or persons delegated to work or participate in the activities of business partners (companies with which AXXAM collaborates in an operational manner including ATs, ATI and business networks where the utmost attention must be paid as the participation is active and direct, including occupational safety and management aspects), subsidiaries (where reporting is essential)

The Supervisory Body, as part of its supervisory and control activities on compliance with the Code of Ethics, the Model and the documentation referred to therein, may report or request the application of sanctions to HRD in relation to the seriousness of the event detected.

Similarly, any disciplinary charge contested by the Company must be immediately communicated to the Supervisory Body, together with any sanction imposed.

5. Assessment Guide

In individual cases, the type and extent of specific sanctions will be applied in proportion to the seriousness of the shortcomings and, in any case, in consideration of the elements listed below:

- subjective element of the conduct, depending on the intent or negligence;
- relevance of the obligations violated;
- hierarchical or technical level of responsibility;
- presence of aggravating or mitigating circumstances, with particular regard to professionalism, previous work experience, circumstances in which the act was committed;
- possible sharing of responsibility with other subjects who contributed to determining the shortcoming;
- behaviours that may compromise, albeit potentially, the effectiveness of the Organisational Model.

If several offences have been committed with a single act, punished with different sanctions, the most serious sanction may be applied.

6. Relevant conduct

For the purposes of this disciplinary system, all commissive or omissive conduct (including negligent conduct), capable of jeopardising its effectiveness as a tool for preventing the risk of committing the offences referred to in Legislative Decree 231/01, constitutes a violation of the Model.

Specifically, the following constitutes a disciplinary offence:

- the violation of the principles and rules of conduct contained in the Code of Ethics and the Model;
- the violation of the procedures and protocols formalized in the Model (Special Part);
- the missing, incomplete or untruthful documentation presented as evidence of the activities carried out in each of the sensitive processes, as prescribed in the procedures referred to in the Model;
- violation of information obligations towards the Supervisory Body;

Sanction Code

- obstruction of controls, unjustified impediment to access to information and documentation by the persons in charge of controlling the procedures and the Supervisory Body, or other conduct capable of violating or circumventing the control systems provided for by the Model;
- the omission or violation of any requirement of the Model aimed at guaranteeing safety and health in the workplace, or preventing pollution or environmental damage.

Failure to comply with or violate:

- of the law;
- the general principles of this document;
- the rules of conduct imposed by the Code of Ethics and company procedures;

by workers constitutes a breach of the obligations arising from the employment relationship and a disciplinary offence.

7. Employee sanctioning system

In compliance with the procedures provided for by art. 7 of Law no. 300 of 20 May 1970 (Workers' Statute) and *subsequent amendments*, the disciplinary measures that can be imposed on non-managerial employees are those provided for by the sanctioning system referred to in the chemical-pharmaceutical CCNL, and precisely:

- verbal warning;
- written warning in the event of recidivism, over a two-year period, of cases of culpable violation of procedures and/or prescriptions and procedural errors due to negligence of the worker having external relevance;
- a fine not exceeding the amount of 3 hours of remuneration, which may be applied in cases where, due to the hierarchical or technical level of responsibility, or in the presence of aggravating circumstances, the negligent and/or negligent conduct may undermine, albeit potentially, the effectiveness of the Model, by way of example but not limited to:
 - failure to comply with the obligation to inform the Supervisory Body and/or the direct hierarchical or functional superior;
 - repeated failure to comply with the obligations provided for by the procedures and requirements indicated in the Model, in the event that they concerned or concern a procedure in which one of the parties concerned is the Public Administration;
- suspension from service and remuneration, which cannot be ordered for more than three days and must be applied for the most significant shortcomings.

By way of example, but not limited to, the sanction of suspension from work and pay applies in the event of:

 - failure to comply with the provisions relating to the powers of signature and the system of delegations attributed with regard to acts and documents towards the Public Administration;

- o failure to supervise hierarchical and/or functional superiors on compliance with the procedures and requirements of the Model by their subordinates in order to verify their actions, within the areas at risk of crime and, in any case, in the performance of activities instrumental to operational processes at risk of crime;
 - o false or unfounded reports relating to violations of the Model and the Code of Ethics;
- dismissal with notice in cases of repeated serious violation of procedures and requirements having external relevance in the performance of activities in the areas/activities at risk of crime identified in the Model;
- dismissal without notice for such serious shortcomings as not to allow the continuation, even temporarily, of the employment relationship (so-called just cause) such as, but not limited to:
 - o violation of procedures and provisions of the Model having external relevance and/or fraudulent avoidance carried out through conduct unequivocally aimed at committing a crime included among those provided for in Legislative Decree 231/2001 and subsequent amendments, such as to break the relationship of trust with the employer;
 - o violation and/or circumvention of the internal control system, carried out by subtracting, destroying or altering the documentation of the Procedure or by preventing control or access to information and documentation to the persons in charge, including the Supervisory Body, in order to prevent their transparency and verifiability.

With regard to the ascertainment of violations, competence is reserved jointly to the Supervisory Body, the CEO (*Chief Executive Officer - Employer*) and the HRD. The imposition of the sanction is the responsibility of the CEO (*Chief Executive Officer - Employer*) with the support of HRD.

In any case, disciplinary measures more serious than the verbal warning cannot be issued until eight days have elapsed since such complaint, during which the worker may present his justifications.

If the measure is not issued within the following eight days, these justifications will be considered accepted.

In any case, for the purposes of applying the sanctions indicated above, any violation by the Company's employees of the obligations deriving from the employment relationship, pursuant to art. 2104 and 2105 of the Italian Civil Code, by the category CCNL and by individual contracts.

8. Sanctioning system for managers (top management and managers with delegation of function pursuant to Article 16 of Legislative Decree 81/08 and non-top management)

In the event of violation, by managers, of the principles of conduct indicated in the Organizational Model, in the Code of Ethics and in the Procedures, the managers will be applied, depending on the importance and seriousness of the actions committed, and in any case without prejudice to the prior complaint and the procedure referred to in art. 7 of Law no. 300/1970 (Workers' Statute) and, in any case, in accordance with the provisions of the current CCNL, the measures considered most suitable among those listed above.

The management of disciplinary proceedings and the imposition of sanctions themselves remain the responsibility of the CEO (*Chief Executive Officer - Employer*) and the HRD.

All the Company's executives have been informed, through specific courses, about the obligations and requirements of the Model which, if not observed, may lead to the early termination of the employment relationship.

9. Measures against the CEO/CFO

In the event of a violation of current legislation, the Model or the Code of Ethics by the CEO/CFO, the Supervisory Body informs the Chairman of the Board of Directors, who may request the opinion of the Board of Statutory Auditors, in order to adopt the appropriate measures, in accordance with the CCNL and the relevant legislation.

10. Measures against the supervisory bodies

In the event of a violation of current legislation, the Model or the Code of Ethics by one or more members of the supervisory bodies (e.g. Board of Statutory Auditors, Supervisory Body), the entire Board of Directors must be informed, which will take the appropriate decisions.

11. Measures against third-party addressees

The violation by consultants, suppliers, subcontractors and business partners, however denominated, or other parties having commercial relations with the Company, of the prescriptions and rules of conduct contained in the Model and in the Code, is sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts and orders that provide for the termination of the relationship for non-compliance with the provisions of the Model and the Code referred to them and expressly indicated, without prejudice to Axxam's right to compensation for damages suffered.

12. Sanctions against those who make false reports with negligence/wilful misconduct and those who violate the whistleblower's protection measures

In the event of false reports made through the whistleblowing channels adopted by the company about situations of potential illegality, made with intent or gross negligence by a top or subordinate employee, or by third parties, the following disciplinary sanctions will be applied:

- suspension from work and/or pay for the maximum period provided for by the CCNL applied in the case of false reports made with gross negligence;
- dismissal in the case of reports made with intent;

Sanction Code

- revocation of the appointment in the event of false reports made with intent or gross negligence by third parties (consultants, appointees, etc.).

In the event of direct or indirect acts of retaliation or discrimination against the whistleblower for reasons directly or indirectly related to the report, the disciplinary sanction of suspension from work and/or remuneration and, in the most serious cases, dismissal will be applied to the persons responsible. The concept of retaliation or discrimination includes, but is not limited to, *mobbing*, transfers, and the application of disciplinary sanctions.

In the event of violation of the measures to protect the anonymity of the Whistleblower, the disciplinary sanction of suspension from work and/or pay will be applied to the responsible parties.

If the acts of retaliation or discrimination, or the failure to protect the anonymity of the Whistleblower are attributable to an external third party, the sanction provided for will be the suspension of the assignment and in the most serious cases the revocation of the same (see GOV_003 "Regulations on the procedure for reporting offences and irregularities").