

DL 231 – ORGANISATION MODEL



CODE OF ETHICS

Approved by the BoD 26 / 02 / 2020

Rev.03 - 02/2020

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MATRIX FOR REVISION

Rev n °	date	Description of amendment
01	01/04/2016	Compliance with regulatory framework
02	22/07/2019	Punto 10 – Amendment to Supervisory Board
03	18/02/2020	Compliance to Law 157 de/ 10/01/2020 —DL 231

The language of the Company is Italian. This is a translated version from the original in Italian language. In the case of dispute the Italian version prevails

GLOSSARY

Here below definition of terminology:

"Company": Futura Leathers S.p.a.

"Sensitive Activities": activities in which there is a risk crimes can be committed

"Code": This Code of Ethics

"Consultants": those who act in the name and / or on behalf of the Company on the basis of a mandate or power of attorney

"Corporate Governance": set of the company's organization management tools

"Decree": Legislative decree n. 231 dell'8 June 2001 e subsequent changes

"Decree 81": Legislative decree 81/2008 "Health and Safety in the workplace "

"Recipients": Subjects who must comply with the Model

"Employees": All company employees (including collaborators on specific contracts and managers)

"Entity": any subject – company, association or other — to whom the application of the decree applies.

"Group": the company and its subsidiaries pursuant to art. 2359, first and second paragraph Civil Code

"Intranet": company intranet

"Model": the organization, management and control model envisaged by Legislative Decree 231

"Organization chart": graphic representation of the organizational structure; it expresses the denomination of the organizational units of the system and the hierarchical relationships.

"Supervisory Body" or **"ODV"**: internal body responsible for supervising the functioning and observance of the Model and its updating.

"PA": the Public Administration, including its officials, public officials and persons in charge of public service.

"Partner": contractual counterparties of the Company (eg suppliers, agents, consortia and consortium members, etc.), both natural and legal persons, with whom the company enters into any form of contractually regulated collaboration, where intended to cooperate with the Company in the context of Sensitive Activities

"Procedure": organizational document containing the description of the phases of a process or a subset and its related tasks and responsibility.

"Public Official": the person who exercises a legislative, judicial or administrative public function. The administrative function governed by public law rules and authoritative acts and characterized by the formation of the will of the Public Administration by means of authoritative or certification powers is public.

"Public Service Officer": the person who, for whatever reason, carries out a public service, that is, an activity governed in the same way as the public function, but without the exercise of authoritative or certification powers.

"Predicate offenses or offenses". the crimes to which the rules provided for by Legislative Decree no. 23V2001 are regulated.



Codice ETICO

Rev. 03-febbraio 2020

"Manager": the person responsible for one or more business units or functions, in accordance with the Company's organization chart.

1. General Aspects

1.1. Introduction and Area of Application

This Code of Ethics is a public declaration of Futura Leathers Spa which identifies the set of values and principles, commitments and responsibilities of ethical value that inspire the Company.

The dissemination and implementation of the Code of Ethics comply with the principles contained in the Legislative Decree 231/2001 and subsequent amendments, regarding the administrative liability of legal persons. The Code must therefore be considered an essential element of the organization, management and control model adopted by Futura Leathers Spa

1.2. NATURE AND PURPOSE OF CODE

The Code of Ethics aims to provide basic information on the rules of conduct, on the recipients of the same and on their responsibilities in case of violation.

The Code of Ethics therefore constitutes a set of rules with to which the recipients are required to comply in carrying out their activities: any non-compliant behavior is neither permitted nor tolerated, and are to be understood as activities that can harm the Company. Compliance with the Code must be considered an essential part of the contractual obligations assumed by the Recipients, or by the Directors, Employees and Consultants, to the extent that this is compatible with the legal or contractual provisions applicable to their relations with the Company.

Futura Leathers Spa

- recognizes the legal relevance and mandatory effectiveness of the ethical principles, standards and principles of conduct established by the Code;
- promotes the application of the Code to Directors, Employees and Consultants, also through the insertion of specific contractual clauses that establish the obligation of compliance;
- promotes the application of the Code in relations with its Partners, by inserting specific contractual clauses that establish the obligation to comply with it;
- promotes compliance with the Decree and the dissemination of the principles of the Code within the Group;
- pursues the objective of not establishing nor continuing business relationships with anyone who does not share or refuses to comply with the principles of the Code;
- prepares a specific sanctioning system that ensures the effectiveness of the Code and undertakes to apply it;
- provides adequate training and information support in this regard;
- guarantees confidentiality to those who report violations of the Code and ensures that they are not subject to any form of retaliation.

1.3 RECIPIENTS

The Recipients of the Code are the Directors, Employees and Consultants.

The Recipients must know the Code and actively contribute to its implementation and that of the Model, also reporting any violations.

The Company will progressively broaden the application of the principles and values expressed in the Code and the rules adopted in the Model to its Partners, in harmony with the contractual agreements.

2. PRINCIPLES AND FUNDAMENTAL VALUES

It is the Company's precise intention that all its activities be carried out in compliance with the principles of honesty, correctness, good faith, integrity, transparency and in compliance with the laws and regulations in force.

The operations, behaviors and relationships both internal and external to the Company are inspired by the following fundamental values:

- **Legality, honesty and fairness**
In no case can the pursuit of the Company's interest justify conduct contrary to the principles of fairness, legality and non-discrimination. The Company strives, within its corporate organization, for the dissemination and knowledge of the laws, the Code, the Model and the procedures aimed at preventing the violation of laws and for the respect of rights, also under the profile of privacy and opportunities, of all those who are involved in their work and professional activity
- **Transparency, good faith and collaboration**
Relationships must be based on maximum transparency, good faith and collaboration, in full compliance with the law. The information disseminated by the Company must be complete, transparent, understandable, accurate.
- **Impartiality**
In relations with shareholders, users, customers, suppliers, employees and collaborators and third parties in general, the Company avoids any discrimination, respects the fundamental rights of people and guarantees equal opportunities for all.
- **Conflicts of interest**
In carrying out its business, the Company makes every effort to avoid running into situations of conflict of interest.
- **Safety, health protection and working conditions**
The physical and moral integrity of Employees and Partners is considered a primary value by the Company, which protects safety, hygiene and health in the workplace and considers respect for workers' rights and full respect for current legislation on safety, hygiene and health at work.
- **Environment**
The Company promotes respect for and protection of the environment, actively committing itself to guaranteeing compliance with current environmental legislation in carrying out company activities.

3. PRINCIPLES OF GENERAL BEHAVIOUR

3.1. Respect for the Law

Compliance with the law and the regulations of the legal system of each country in which the Company operates represent for Futura Leathers Spa a fundamental principle that each Employee, Consultant and Director must observe, together with the Company's policies, in carrying out their business. Violation of the law is not permissible under any circumstances.

Regardless of the sanctions provided for by law, the person responsible for a violation will incur disciplinary measures resulting from the failure to comply with their obligations. Compliance with the rules of the Code of Ethics by Employees is also required pursuant to and by effect of art. 2104 of the Civil Code.

3.2 RESPECT, HONESTY, INTEGRITY

Employee recognizes and respects the personal dignity, privacy and personality rights of any individual. Discrimination against anyone on the basis of nationality, culture, religion, age, disability, race, sexual identity, or sexual, personal or other harassment or offense is not tolerated.

These principles are valid both in relations within the Company and in relations with third parties.

3.3. LIABILITY and ACCOUNTABILITY

All the actions and operations of the Company must be adequately documented, so as to allow verification of the decision-making, authorization and carrying out process of the same. The documentary support must be punctual and exhaustive, in such a way as to allow the identification of who authorized, carried out, recorded and verified the operation itself.

4. RULES OF CONDUCT TOWARDS EXTERNAL PARTIES

4.1. RELATIONS WITH CLIENTS

The Company sets up contracts and relationships with customers in a correct, complete and transparent manner, in compliance with the law, the Code and internal procedures.

In relations with customers, employees must not offer, promise, grant or authorize or accept gifts or other forms of benefits and / or utilities that can be interpreted as a means of obtaining preferential treatment for any activity related to the Company and which are not attributable to normal commercial or courtesy relations.

Employees and Directors who work with clients must:

- Verify that all transaction are true and factual – fictitious simulations are forbidden
- Verify all parties involved – Persons must not be invented (incl. intervening parties)
- All documentation must be verified for veracity

4.2. RELATIONS WITH SUPPLIERS

The procurement processes of goods or services must be aimed at seeking the maximum competitive advantage for the Company, in compliance with the principles of loyalty and impartiality towards each supplier who must be in possession of the requisites required by applicable legislation and company procedures.

Employees and Directors who purchase goods, merchandise and services must:

- verify and ensure that each operation / transaction is legitimate, authorized, consistent, congruous, documented, recorded and verifiable at any time;
- evaluate the quality, convenience, cost-effectiveness and compliance of offers to business needs, in compliance with the principles of correctness and transparency;
- take into due consideration the professionalism, efficiency and general reliability of suppliers;
- observe the company procedures defined for the selection and correct management of relations with suppliers. In particular, Employees are required to use, in the selection, objective evaluation criteria, according to codified, transparent and open to verification procedures
- verify that suppliers have the means, including financial ones, organizational structures, skills, competences, quality systems and resources suitable for the needs and image of the Company.
- Verify the supplier's existence and business activity (Registration in the Chamber of commerce, invoices, employees.
- Verify that the supplier's business activity corresponds to what is invoiced.
- Business correspondence.
- Identification of the interlocutor (Email, position within the company).
- Report to the Internal revenue the beginning of the relationship with a new supplier

Relations with suppliers must be based on full compliance with the law, the principles of the Code and internal procedures and regulations.

In relations with suppliers, Employees must not offer or accept gifts or other forms of benefits and / or utilities that are not attributable to normal commercial relations or courtesy and of modest value.

4.3. RELATIONS WITH COMPETITORS

The Company complies with the applicable regulations on fair competition, acting correctly and professionally.

Employees must not obtain competitor information through industrial espionage, bribery, theft or wiretapping, nor must they knowingly disclose false information about a competitor.

4.4. RELATIONS WITH THE PUBLIC ADMINISTRATION

Relations with the Public Administration and with any public institutions, both Italian and foreign, are managed exclusively by persons authorized by the Company.

In carrying out any other activity with the Public Administration, or with any other body entrusted with the performance of a public service, the Company avoids:

- promise or make direct or indirect contributions, in any form, and allocate funds and loans to support public entities, except as permitted and provided for by the laws and regulations in force;
- propose employment and / or commercial opportunities that may unduly benefit, directly or indirectly, persons belonging to the Public Administration or their relatives or similar.

The Company condemns any conduct aimed at:

- obtain from the State, the European Union or other public body, any type of contribution, loan, soft loan or other disbursement of the same type, by means of altered or falsified declarations and / or documents, or by means of omitted information or, more generally, by means of artifices or deceptions, including those carried out by means of an IT or telematic system, aimed at misleading the supplying body
- allocate to purposes other than those for which contributions, subsidies or loans or other disbursements of the same type have been granted by the State or by another public body or by the European Communities.

4.5. RELATIONS WITH JUDICIAL AUTHORITIES

In carrying out its business, the Company operates in a lawful and correct manner, collaborating with the judicial authority, the police and any Public Official and Public Service Officer who has inspection powers and carries out investigations against him.

Employees or Company Representatives who will be subject to investigations, including on a personal basis for facts connected with the employment relationship, or will receive subpoenas, and / or those who will be notified of other judicial measures must promptly inform the Supervisory Body.

4.6. RELATIONS WITH POLITICAL PARTIES

The Company may not make, in any form whatsoever, contributions intended to finance political parties, committees, public organizations or political candidates.

Relations with political and trade union organizations are exclusively governed on the basis of the laws, regulations and agreements / contracts in force.

Each Employee, Consultant and Director who expresses an opinion on political matters is required to do so in a personal capacity and not in the name and on behalf of the Company.

5. THE PRINCIPLES AND CODE OF CONDUCT REGARDING SAFETY

The Company condemns all forms of labor exploitation and guarantees all Employees the same opportunities and fair treatment, based on merit criteria, preventing any form of discrimination and stimulating their professional development. The Company pursues regularity and compliance with the law in all employment relationships, refraining from establishing relationships of this type with non-resident subjects without a residence permit, verifying their possession.

The Company aims to ensure a healthy work environment compliant with current legislation on health protection, risk prevention, safety and safeguarding of environmental resources. For this purpose, the Company undertakes to ensure that:

- compliance with current legislation on the safety and health of workers is considered a priority;
- the risks for workers, as far as possible and as far as guaranteed by the evolution of technology, are also avoided by choosing less dangerous materials and processes that mitigate the risks at source;
- unavoidable risks are correctly assessed and mitigated through suitable collective and individual security measures;
- the information and training of employees and collaborators is disseminated, updated and specific with reference to the task performed;
- consultation of workers on health and safety in the workplace is guaranteed;
- deal quickly and effectively with any safety needs arising during work activities or during checks and inspections;
- the workplaces, plants, machinery, equipment, work organization and operational aspects of the same are made in such a way as to safeguard the health of workers, third parties and the community in which the Company operates;
- through the introduction of specific contractual rules, the adequacy of the workplace and full compliance with accident prevention regulations by third parties where specific work activities are carried out by the Employees are guaranteed;
- preventive actions and internal investigation and control actions are privileged to protect health and safety and in order to reduce the probability of accidents, injuries or situations of non-compliance with the applicable legislative, regulatory and technical standards.

The Company undertakes to make adequate organizational, instrumental and economic resources available with the aim of ensuring full compliance with the accident prevention regulations in force and the continuous improvement of the health and safety of workers in the workplace and the related prevention measures. Employees and Collaborators, to the extent of their competence, are required to ensure full compliance with the law, the principles of this Code and company procedures and any other internal provision required to ensure the protection of safety, health and hygiene in the workplace.

6. THE PRINCIPLES AND CODE OF CONDUCT REGARDING COMPANY ASSETS

Each Employee and Collaborator of the Company is the guardian of what is entrusted to him/her in use or available, to be used in the interest of the Company exclusively for service reasons, in accordance with current legislation and the contents of the bylaws, and in line with the principles established by this Code and with company procedures.

No Employee is allowed to compose archives, databases, video or audio using the Company's equipment or facilities, except for purposes related to the business activity.

Anyone authorized to operate on the information system is responsible for the security of the systems used, is subject to the regulatory provisions in force and the conditions of the license agreements and is obliged to use it taking into account the company procedures issued in this regard. The use of network connections for purposes other than those inherent to the employment relationship is part of the improper use of company assets and resources.

Computer programs not made available by the Company are prohibited and therefore their installation and use are punished.

It is forbidden to install equipment designed to intercept, prevent or interrupt computer or telematic communications, as well as disseminate said equipment, devices or programs or practice the interception, impediment or interruption of computer or telematic communications

- regulation of the alienation (even free of charge) of mobile, immobile property, shares
- regulation of extraordinary sales or transactions
- identification of the counterpart (interest in the transaction, relation to the shareholders/directors)
- communications between those in charge of fiscal duties who become aware of controls and whoever is delegated to alienate special transactions

7. THE PRINCIPLES AND CODE OF CONDUCT REGARDING MANAGING INFORMATION

Internal Company information that has not been disclosed to the public must be kept confidential. Non-public information obtained from or relating to suppliers, customers, employees, agents, consultants and other third parties must also be kept confidential, in accordance with legal and contractual requirements.

The confidentiality obligation remains in force even after the termination of the employment relationship and / or contractual relationships.

Access to Intranet and Internet networks, the exchange of information through electronic IT tools, as well as commercial negotiations by electronic means involve risks for the protection of privacy and data security. The effective prevention of these risks constitutes an important element of the duties of the Managers and of each Employee.

The processing of personal data is permitted only to the extent that the collection, processing or use of the same is necessary for predetermined, defined and legitimate purposes. Furthermore, personal data must be stored securely and precautions must be taken in the transmission of the same. The highest standards of data quality and protection against unauthorized access must be guaranteed. The use of personal data must take place in absolute transparency towards the persons concerned, who have the right to verify the use and correctness of the information and, where appropriate, contest it, block its use and arrange for its cancellation.

In no case is it allowed to collect or transmit information that incites racial hatred, the mystification of violence or other criminal acts, or that contains material considered offensive from a sexual point of view in relation to the cultural environment.

Relations with the media must be maintained and managed by persons specifically authorized by the Company. Therefore, any request from the media must be communicated in advance to the Manager and the Directors

The Company condemns any behavior aimed at altering the information and accounting and corporate data that are communicated inside and outside the Company, to the authorities or to the public.

- regulation of the procedures for keeping and custody of accounting and tax records
- identification of the company functions in charge of and authorized to keep (movements) the registers
- periodic checks on accounting records
- regulation of the procedures for reporting to the competent bodies in the event of accidental events that may affect the records.

8. THE PRINCIPLES AND CODE OF CONDUCT REGARDING MONEY LAUNDERING

The Company condemns any conduct that may even indirectly facilitate the carrying out of criminal offenses such as money laundering, handling of stolen goods and in any case the use of goods, money or other utilities of illicit origin and the obstruction of justice; to this end, the Company undertakes to activate all the preventive and subsequent control methods necessary for the purpose (separation of roles, traceability of operations, monitoring, etc.).

Recipients must not, in any way and under any circumstances:

- receive or accept (even just promise to receive and accept) payments in cash or other unusual forms except within the limits permitted by law;
- forge banknotes, coins, public credit cards, revenue stamps and watermarked paper.

Employees must also comply with all the provisions regarding accounting, recording and reporting applicable to financial flows.

The Recipients must inform the Supervisory Body of the circumstances represented in the Code and in the Model that could constitute, even if only potentially, types of the aforementioned crimes.

9. THE PRINCIPLES AND CODE OF CONDUCT REGARDING CONFLICT OF INTEREST

Employees are obliged to make decisions in the best interest of the Company and not on the basis of their own personal interest.

Employees must avoid all situations and all activities that may be in conflict with the interests of the Company or which may interfere with the ability to make impartial decisions in the best interest of the Company.

Employees are not allowed to carry out activities in favor of competing companies or to engage in competing activities.

Any situation of potential conflict of interest must be notified in advance to the Manager and the Supervisory Body

10. DUTY TO REPORT

Employees, Consultants and Directors must report directly to the Supervisory Body any news relating to the commission, or to the reasonable belief that they have been committed, of the offenses regulated by the Model.

Managers are also obliged to report violations of the rules of conduct or procedures.

Futura Leathers Spa guarantees the whistleblowers from any form of retaliation and guarantees the utmost confidentiality regarding the identity of the whistleblower, without prejudice to legal obligations and the protection of the rights of the company or of persons accused erroneously and / or in bad faith. All reports must be sent in a sealed envelope directly to the Supervisory Body:

Postal address:

Avv. Alessandra Magnabosco
Via Kennedy,14, 36071
Arzignano (VI), ITALY

Or by email to:

avv.alessandramagnabosco@gmail.com

11. VIOLATION OF THE CODE OF ETHICS

The violation of the obligations contained in this Code, considered a violation and any non-acceptance of justifications provided, entails the application of the disciplinary sanctions provided for by the Model.

Any violation of the Code jeopardizes the fiduciary relationship with the Company

12. VALIDITY AND AMENDMENTS TO THE CODE OF ETHICS

The provisions of this Code come into force from the date of publication on the company intranet.

Any update, modification or addition to the Code must be approved by the Company Board of Directors.