

CODE OF ETHICS

**PURSUANT TO ITALIAN LEGISLATIVE
DECREE 231/2001**

COMPANY:

PASQUALE BRUNI SPA

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PASQUALE BRUNI

Company presentation

Pasquale Bruni SpA operates in the luxury goods sector and in particular in the creation, production, promotion and distribution of high quality jewellery. It is one of the few remaining independent jewellery brands whose output is entirely made in Italy.

The maison is renowned worldwide and its creations are synonymous with craftsmanship, iconic Italian taste, style and creativity.

Pasquale Bruni SpA now has a substantial international presence and its creations are found in the world's most prestigious *shopping locations*.

The company has an extremely selective distribution network currently with around 340 multi-brand sales outlets worldwide.

To achieve its corporate and economic purpose, the Company strives to respect every ethical principle outlined in this document in the performance of its activities.

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1. Introduction

This document presents the set of general criteria of conduct and ethical values to which the so-called corporate stakeholders (such as employees, customers, suppliers, etc.) must align themselves. It seeks to govern relations with everyone who comes into contact with the company and to be an integral part of the Company's organisation and governance structure.

In particular, all the Company's top managers are responsible not only for the observing every principle contained herein, but also for ensuring that everyone under their control or direction does so too.

The Code of Ethics is a keystone of the Organisational, Management and Control Model provided by Legislative Decree 8 June 2001, no. 231, which introduced into the Italian legal system the principle of liability of Entities and legal persons for crimes committed by top management bodies and by so-called subordinated subjects, in the interest or to the advantage of the Entity.

Under no circumstances does Pasquale Bruni SpA justify conduct inconsistent with this Document, even if it is carried out in order to further the Company's interests.

2. Recipients of the rules and scope of application

The Code is addressed to the corporate bodies and their members, to management, employees, external collaborators, consultants, to colleagues in any capacity, agents and any other person who may act in the name and on behalf of Pasquale Bruni SpA and in general, to everyone with whom the company comes into contact in the course of its activities.

Pasquale Bruni SpA considers compliance with the laws and regulations applicable in all the countries in which it operates, coupled with fairness and transparency in business conduct, to be an essential principle underpinning its activities.

It is therefore the duty of every recipient, wherever they work, to respect this Code of Ethics along with the applicable laws and regulations, actively contributing to its scrupulous observance.

Directors are required to apply the principles of the Code of Ethics when setting the company's objectives, proposing investments and implementing projects and in any decision or action relating to the Company's management.

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Likewise, the work of managers and heads of company departments must be inspired by the same principles, both internally, thus strengthening cohesion and the spirit of mutual cooperation, and in relation to third parties with whom the company comes into relationship.

To this end, this Code of Ethics will also be brought to the attention of collaborators, commercial business partners and anyone who has business relationships with Pasquale Bruni SpA.

The Company undertakes to disseminate this Code of Ethics, also through the use of appropriate information, training and awareness-raising tools regarding its contents.

3. Guiding principles

The Company intends to articulate the guiding principles of a system of values covering everyone who works at Pasquale Bruni SpA, as well as customers, suppliers and the community as a whole and for anyone in charge of industrial and financial strategies and operational conduct.

1) Principle of legality

The Company considers legality an essential value in the conduct of its business activities, given its role as a cornerstone of the Constitution of the Italian Republic and of the Italian legal system as a whole.

In application of this concept the Company is therefore committed to ensuring that in the performance of all functions involved in company processes, the laws, regulations under Italian law, established practices, EU derived regulations and established practices in the reference category are respected, as well as the applicable regulations in all the countries in which it operates.

All the recipients of this Code are obliged to respect this principle, in order not to compromise the moral and professional integrity of the company.

2) Loyalty, fairness, integrity and transparency and good faith in the conduct of activities

Top management (administrators, auditors, managers) are required to comply with this Code of Ethics and to behave with integrity, transparency, responsibility, fairness and good faith.

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Likewise, employees, consultants and external collaborators employed by the company to fulfil its corporate purpose must, in the performance of their duties, behave with diligence, professionalism, loyalty, good faith, fairness, and commitment and in a spirit of mutual cooperation. These criteria must permeate the relationships between employees at every level and between them and third parties with whom they come into contact during their work activities.

Every action, operation, negotiation and, more generally, every activity carried out by employees and collaborators must also comply with the rules of transparency, completeness and truthfulness of information, as well as with company procedures.

3) Privacy protection

In compliance with Italian Legislative Decree 196/2003 “Italian Data Protection Law” Pasquale Bruni SpA guarantees to protect personal data processed within the scope of its activities so as to avoid their improper or illegal use and, consequently, adopts specific procedures to provide adequate information on data processing of the data of the subjects concerned and the acquisition of their consent, where necessary.

Pasquale Bruni SpA continually applies and updates policies and specific procedures for the protection of information.

Each recipient must act with the strictest confidentiality even outside working hours, in order to safeguard the technical, financial, legal, administrative, personnel management and commercial know-how of the company.

Consequently, anyone who comes into contact with confidential and important information in the performance of their duties must avoid any improper use or improper dissemination of the information.

4) Personnel and professionalism

Pasquale Bruni SpA passionately believes in the value of human resources as key to creating products of the highest quality and beauty.

To this end, it provides a working environment geared towards developing the potential and talent of its employees and collaborators, as well as to promoting their professional growth objectives.

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The Company manages its human resources in accordance with the principles of respect for individual personal and professional qualities, equal opportunities and merit and to safeguard their physical and moral integrity, providing the opportunity to develop their professional skills.

The Company also prohibits the stipulation of irregular employment contracts and forbids the use of child labour.

5) Respect and protection of the environment

In planning its activities, the Company strives to strike a balance between economic initiatives and essential environmental considerations. It does so in compliance with current regulations on the land and environment, but also taking into account issues relating to future generations.

To prevent damage to the environment, the Company ensures that the waste generated by its business activities is properly stored and disposed of, using as necessary, specialised and qualified subjects with dedicated procedures.

4. Rules of conduct

In order to protect the company's reputation and prevent the risk of being held responsible under and by the effects of the Legislative Decree no. 231/2001 the rules and criteria of this Code, which internal personnel and third parties are required to observe, need to be clearly and concisely outlined.

To this end, the creation of a set of rules also seeks to develop and increase the trust of everyone who may come into contact with Pasquale Bruni SpA. .

5. Refraining from conflicts of interest

All corporate bodies and personnel are required to abstain from any activity that may be considered, even potentially, in conflict with the interests of the Company.

Conflict of interest specifically occurs when a subject has a personal interest that interferes with the main and relevant interest of their Employer.

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By way of example, anyone who uses computer systems on behalf of the company and in the performance of their duties is prohibited from manipulating the data contained in them for the pursuit of their own purposes, just as they are prohibited from using company assets to pursue purposes not related to the performance of their duties. Senior management, such as the Chief Executive Officer, are obliged to inform the Board of Directors of the existence of any personal interest or interest of their family members in any specific operation under examination by the Board of Directors.

Any corporate conduct inconsistent with these principles is severely punished by the company Pasquale Bruni SpA.

Anyone believing themselves to have a conflict of interest shall quickly inform the Supervisory Board of their situation so that the necessary assessments can be carried out to prevent their own interests from in any way interfering with their work for the company.

6. Selection, recruitment, management and treatment of employees

Ability, competence and professionalism are the basic requirements for selecting company resources. Pasquale Bruni SpA believes in the creation of a working environment marked by loyalty and mutual trust.

The Company therefore strives to support its employees in their professional growth and the continual updating of their managerial and technical skills so they can perform their role to their best of their ability and fulfil the company's objectives.

- Recruitment

In order to develop its employees, Pasquale Bruni SpA adopts merit based criteria and guarantees equal opportunities to all, without any discrimination whatsoever.

The selection and assessment of personnel is based on objective criteria that match the professional profiles and skills of candidates to the positions available and the respective area.

All information and data acquired during the selection and management of personnel, or their storage on paper or computer are processed in compliance with the applicable national privacy regulations.

- Establishment and conduct of the employment relationship

Personnel are hired on contracts in line with the applicable regulations in the countries in which the Company operates and with any applicable national collective labour agreements.

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The Company undertakes to ensure equal opportunities for all Employees and guarantees respect for the dignity of everyone, encouraging the development and growth of its collaborators and preventing abuse of authority in relations between employees and managers in its departments and divisions. With this in mind, the Company strictly prohibits managers from asking their collaborators for personal favours or any other conduct not envisaged in the job contracts and the rules of this Code.

Assignments are awarded in consideration of the skills and abilities of individuals, on the basis of the Company's needs and the professional growth of its employees.

- Remuneration and performance assessments

The Company seeks to enhance professionalism, promoting personal aspirations, learning expectations, and the professional and personal growth of every individual.

The remuneration system is based on the role of employees, their skills and competences, and the results achieved.

- Health and safety of employees

Pasquale Bruni SpA guarantees working conditions respectful of individual dignity and ensures safe and healthy working environments, in compliance with the current regulations governing accident prevention and health and hygiene.

The Company strives to establish a culture of the health and safety of workers at the workplace, promoting awareness of risks at work and encouraging each individual to take responsibility for their behaviour.

Every employee, collaborator and anyone working at the offices and factories in any capacity, is required to make a personal contribution to maintaining the safety and quality of their working environment.

The Company constantly seeks to ensure and protect the health of its employees by bringing its operating strategies into line with its health and safety policy; to ensure that all its office and factory personnel are trained and informed about the safety-related risks to which they are from time to time exposed ; to provide the means and personal protective equipment required by current regulations for the type of activity performed and to provide for its periodic maintenance; to continuously monitor the performance and efficiency of the system used to guard against safety risks, to maintain safe workplaces and protect the well-being of its personnel.

7. The role of the Customer

The satisfaction of the customer's needs and establishment of constructive relationships.

The Company aims to be a reliable and safe partner and intends to develop its market in line with these principles, by providing excellent high-quality products and services.

The Company undertakes to satisfy its customers, both existing and potential, impartially, and with great professionalism, helpfulness, courtesy and cooperation, in order to provide them with the highest level of service and after-sales assistance. It does all this in compliance with existing contracts and quality standards.

Recipients must develop and maintain positive and lasting relations with customers, always motivated by the principles of cooperation and courtesy; provide accurate, complete, truthful and timely information so as to enable the customer to make an informed decision; fulfil the commitments and obligations entered into with them; and require customers to observe the principles of this Document.

In addition, the Company guarantees that the contracts it enters into with its customers are:

- intelligible, simple and complete;
- in line with legal requirements and contractual practices;
- in compliance with the principle of confidentiality, by providing a clause that ensures its customers' personal data is processed in compliance with the current legislation and the methods of treatment, processing and recording of the data and information given by customers.

Finally, the Company is open to dialogue with customers in the event of claims, complaints and dissatisfaction and will seek to resolve possible disputes out of court, encouraging conciliation procedures to prevent the opening of legal proceedings.

8. Relations with Suppliers and Sales Agents

In supplying the raw materials necessary for the processing of its jewellery, Pasquale Bruni SpA pays attention to the research and selection of its suppliers.

Specific company departments purchase goods and services based on objective assessments of skills, competitiveness, quality, fairness, reputation and price.

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The Company seeks the maximum competitive advantage when choosing suppliers and external consultants, by identifying individuals who can provide goods and services of the requisite quality under the best timescales and conditions.

The Company requires the suppliers of goods and services to comply fully with its standards of ethics, fair-trading and legality, with particular reference to industrial and intellectual property laws, consumer protection laws, laws governing free competition and the market, and laws against money laundering and organised crime, as specified in this Document.

The selected suppliers must also provide their employees with working conditions consistent with basic human rights, international conventions and applicable laws.

In particular:

- the use of child labour is absolutely forbidden;
- the exploitation of child and non-child labour, the use of forced labour, the perpetration of physical or mental abuse will result in the immediate cessation of any and all relationships between the supplier and the Company;
- Suppliers must guarantee that all forms of production use manufacturing processes that protect the health of workers in a way that is appropriate and consonant to these processes.
- It is forbidden to give and receive gifts that may be interpreted as over and above normal business courtesy or in any case implicitly aimed at acquiring preferential treatment for oneself or for the Company. In the event that any employees or collaborators receive gifts or other benefits from suppliers over and above the scope of normal business courtesy but that are of low value, the Company shall return them to the donor or transfer them to a charity, according to the specific company regulations on the subject.

As part of its activities, the Company pays particular attention to the question of the ethics of diamonds and their lawful origin.

Indeed, no one with a sense of social responsibility can ignore the fight against the sale of diamonds mined in conflict zones.

This is why Pasquale Bruni makes sure that its diamond suppliers are not involved in money laundering, or in the financing of armed conflicts and terrorist organisations.

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Each supplier shall sign a declaration certifying that the diamonds and stones supplied come from conflict-free areas and are sold in full compliance with UN Resolutions 1173,1174,1306 and 1343, thus guaranteeing the traceability of each raw material.

The aforementioned criteria must also apply to representatives, retailers and, in general, to anyone who represents Pasquale Bruni SpA's image and products. For them too, selection is based on criteria of quality, price and recognition of equal opportunities.

Pasquale Bruni SpA first checks to see whether the supplier has received any positive feedback, thus avoiding any danger to its image and reputation, or in any case to guarantee the respectability and integrity of the potential agent, that they are not involved in illegal activities and that their commercial and professional operations comply with current legislation.

It is absolutely forbidden to engage, for any reason whatsoever, in the marketing of products and services with characteristics different to those declared or agreed or bearing names, trademarks or distinctive signs capable of misleading the final consumer as to the quality, origin or provenance of the products/services offered.

Agents are obliged to scrupulously observe the contractual conditions signed with the company as well as the rules of this Code of Ethics. Their violation constitutes a breach such as to lead to the termination of the relationship.

9. PA and management of public interests

In the light of the aforementioned criteria, the Company's relations with subjects representing the Public Administration, Public Officials, subjects in charge of public services and subjects providing public services, are based on the principles of fairness, loyalty and maximum transparency, as well as on respect for the civil and criminal provisions that regulate their aspects and all their implementing regulations.

Representatives are appointed and authorised to establish and manage these relationships, within the scope and limits of their role and responsibilities.

In the course of such relationships, the recipients of this Code may not offer money, gifts or benefits of any kind, also through third parties, to the public officer involved, to their family members or to persons in any way connected with them.

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It is not permitted to seek or establish relationships based on favour, or influence, interference in order to directly or indirectly influence their activities.

The aforementioned prescriptions, in line with the regulations on offences against the Public Administration and similar figures, cannot be avoided by resorting to different forms of payment which, under the guise of sponsorship, assignments and consultancy services and/or advertising, have the same above-mentioned prohibited purposes.

10. Relations with the Police and Judicial Authorities

The Company ensures and promotes correct, transparent and cooperative behaviour with the law enforcement agencies and the Judicial Authority.

It is forbidden to exert any form of influence on anyone (employee, collaborator or third party) to make statements before the Judicial Authority that may be used in criminal proceedings.

11. Relations with Organisations and Politics and Trade Unions

Any involvement in political activities by collaborators, suppliers or third parties takes place on a personal basis, in their free time, at their own expense and in compliance with the law and does not in any way represent a factor influencing the actions of Pasquale Bruni SpA, which maintains its neutral, non-political and non-partisan position.

It is forbidden to make direct or indirect contributions to parties, movements, committees, political organisations or trade unions, or their representatives.

12. Safeguarding intellectual and industrial property rights

The recipients of this document must act in full compliance with the industrial and intellectual property rights legitimately held by third parties, as well as in compliance with the provisions of laws, regulations and conventions protecting these rights.

In performing their respective activities and functions, in addition to the rules defined in the model and its protocols, the corporate bodies, directors, employees and attorneys of the company, collaborators and all other contractual counterparties involved in carrying out

activities at risk are required to comply with the company rules and procedures issued to regulate activities at risk. In particular, the Company undertakes:

- not to unlawfully use technologies covered by patents already filed;
- not to use the business secrets of others;
- not to engage in fraudulent acts likely to mislead the customers of others and cause damage to competitor companies;
- not to imitate, interfere or tamper with trademarks, distinctive signs, patents, industrial designs or models owned by third parties;
- not to engage in conduct that may constitute the infringement of industrial property rights, alteration or counterfeiting of distinctive marks of industrial products, industrial patents, designs or models, either domestic or foreign, as well as to import, market or in any way use or otherwise put into circulation industrial products with forged or altered distinctive marks or that have been created by infringing industrial property rights.

13. Anti-money laundering

Pasquale Bruni SpA undertakes to comply with all duties and obligations deriving from anti-money laundering legislation under Italian Legislative Decree No. 231 of 21 November 2007.

More specifically, the main and potentially involved corporate departments that have commercial relations with the Company must not be involved in the money laundering of proceeds from criminal or illegal activities. To this end, in purchase and/or sales contracts with counterparties, in financial transactions with counterparties, in any investments with counterparties and in sponsorships and/or intragroup relationships, the company undertakes to check the following aspects:

- commercial and professional reliability of suppliers and commercial/financial partners, on the basis of the irregularity indicators provided for by Article 41, section 2 of Italian Legislative Decree no. 231 of 21 November 2007 and subsequent implementing legislation (such as *"prejudicial information in public databases - complaints, bankruptcy procedures - or acquisition of commercial information on the company, on shareholders and directors through specialised companies; price out of line with average market values; involvement of "politically exposed persons"*);

- regularity of payments and verification of correspondence between recipients and payers of payments and other parties actually involved in the transactions.
- corporate cash flows, with reference to payments to third parties and intragroup payments/transactions, paying particular attention to corporate data potentially indicative of the existence of a risk - money laundering, such as the registered office of the counterparty company, the registered office of credit institutions (for example, ones engaged in transactions with the Company but that do not have physical locations in any country) and any fiduciary structures used for extraordinary transactions or operations;
- monitoring cash-flow highlighting compliance with the thresholds for cash payments;
- identification of the minimum requirements possessed by bidders and identification of tender evaluation criteria in standard contracts;
- identification of technical specifications and tender evaluation in standard contracts.

14. Anti-corruption obligations in Italy and abroad

Pasquale Bruni SpA promotes compliance with the provisions on the prevention and repression of corruption provided in Law 190 of 6 November 2012, adopting all the measures necessary to avoid fraud and supervising the activities of its staff, who are required to cooperate in the implementation of corruption prevention plans.

With a view to expanding business in the UK market, the company Pasquale Bruni SpA takes note of the entry into force on 1 July 2011 of the so-called Bribery Act, which regulates the liability of commercial entities or organisations for acts of bribery in relations with the Public Administration and private individuals committed within the United Kingdom. The rules therefore apply to foreign (eg. Italian) companies that come into contact with the UK or operate there.

Like the Italian system, the Bribery Act establishes as a condition governing liability, the interest or advantage gained by the Entity deriving from the commission of the offence; also in this context, the entity can defend itself by demonstrating that, despite the corruption, it had adopted adequate procedures to prevent such acts of corruption.

Therefore, like the forms of corporate liability under Italian legislation, it explicitly attributes criminal liability to legal persons for bribery offences committed by persons acting in

their name and on their behalf and for crimes committed in the absence of adequate measures to prevent corruption.

In consideration of the above, Pasquale Bruni SpA shall comply with the regulatory principles expressed therein, taking care to verify and integrate the Organisation, Management and Control Model adopted and to organise specific training programmes aimed at the company departments and roles involved in commercial relations with the UK and most exposed to the risk of committing corrupt offences.

15. Protection of competition and the market

Competition is a key value that Pasquale Bruni SpA recognises and protects as a stimulus to growth and improvement, promoting the absolute transparency of its commercial relations.

This is why it ensures that staff and everyone acting on its behalf are not involved in any initiatives or contacts with competitors that may lead to violations of market competition laws.

16. Accounting transparency in company documentation

Pasquale Bruni SpA recognises the importance of accounting transparency and seeks to adopt policies aimed at ensuring compliance with internal and international accounting standards, the provisions of the Italian Civil Code, regulatory standards, the keeping of accounts and the preparation of financial statements, reports or corporate communications required by law and, more generally, any legally significant document containing the company's economic, equity and financial data, even when related to the group to which it belongs or its shareholdings.

In relation to this objective, the company requires the utmost cooperation from all corporate departments involved in the preparation of the financial statements and other corporate documents, in contributing to the completeness and accuracy of the information provided and in the processing of data and the disclosure of any conflicts of interest.

This is why anyone who contributes to the preparation of corporate documentation by providing data and information is obliged to sign a declaration of truthfulness and completeness of the information transmitted, whose completeness the company will verify.

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The recipients, as far as they can and in relation to the tasks assigned to them, are required to cooperate fully in order to ensure that management affairs are accurately and promptly recorded in the company accounts and to keep all supporting documentation, so that it can be easily found and consulted by the parties authorised to perform controls.

Transactions of a financial nature and the Company's cash inflows and outflows are carried out by persons with the relative powers, subject to prior authorisation and are always justified, tracked and recorded.

Pasquale Bruni SpA knows and applies the rules governing the auditing and certification of the financial statements, a task that has been assigned to the Board of Statutory Auditors by express provision in the by-laws.

The Company systematically informs the Supervisory Body of any changes to the auditing of the financial statements, the assignment of any tasks entrusted to independent auditors or associated companies other than those concerning the certification of the financial statements.

17. Implementation and application of the Code of Ethics. Penalty system

Pasquale Bruni SpA recognises the Supervisory Body appointed by resolution of the Board of Directors and in accordance with the provisions of the Organisation, Management and Control Model, as the body responsible for supervising compliance with and the actual application of this Code of Ethics by all recipients.

It monitors initiatives relating to awareness and understanding of the Code; it verifies that the conduct of individuals is consistent with the principles, rules and general standards of conduct set out in the Document; it suggests any amendments, updates and additions for the review of the Code; it receives and analyses reports of violations of the Code; it makes proposals regarding the possible adoption of penalties in cases of proven violations of the Code of Ethics.

Compliance with the Code of Ethics is integral to the contractual obligations of employees, collaborators and, more generally, all Recipients.

Any violations of these provisions shall lead to the application of measures by the Company, modulated according to their seriousness and within the limits of the applicable regulatory framework.

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The penalty envisaged in case of violation will differ depending on the person who commits it. As far as employees are concerned, any non-compliant behaviour will be prosecuted through specific disciplinary measures defined according to the seriousness of the event and the position held in the company. Penalties will, in any case, be determined in line with the rules and clauses of the respective employment contract.

In the case of external consultants, collaborators, customers and suppliers, certain corrective measures will be taken and, in the most serious cases, the contract will be terminated.

Pasquale Bruni SpA implements a system of identification of all the subjects responsible for the processes of decision making, authorisation and carrying out of the company's operating processes in order to prevent a situation of non-compliance with the applicable regulations and the rules of conduct of the Code itself.

Finally, it should be noted that the application of these penalties is completely separate and unconnected to the possible conduct of criminal proceedings initiated by the competent judicial authority or to any sentence handed down as a result of the same.

The valuations and judgements issued by Pasquale Bruni SpA may therefore not correspond to those issued in criminal proceedings.

Final provisions

This Code is published on the website www.pasqualebruni.com.

Pasquale Bruni SpA fosters adequate knowledge of the Code of Ethics, disseminating it to the recipients through specific and effective information and communication activities.

The Board of Directors will be responsible for updating the contents of this document in the light of changes in the regulatory framework or in the event of a change in the company's organisation, which implies the introduction of new company protocols and the adaptation of existing ones.

The Board of Directors has adopted this Code of Ethics.

Milan, 22 December 2017

PASQUALE BRUNI SPA.