

Code of business conduct and Ethics

Adopted by the Board of Directors of MAZZUCHELLI 1849 SPA Resolution of 7th May 2015

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1. Introduction

1.1 Mazzucchelli 1849: mission and principles

Mazzucchelli 1849 is leader in the world market for the production and distribution of plastic material for the manufacture of frames and spectacles and is a qualified supplier for designers of luxury brands worldwide. The company, which has continuously developed its business, over the years has been consolidated into a group based in Castiglione Olona with plants in Italy and, through companies in which the same directly or indirectly holds a controlling share of equity, in China. The Italian activity is particularly focused on research and product development. Today the mission of the company is the consolidation of its worldwide leadership in the market with important and ongoing investments in technology and creativity, to assure and improve customer service.

The focus on continuous innovation and research for new technologies, materials and manufacturing processes led Mazzucchelli 1849 to increase further its range of products by making them more and more "tailor made". Mazzucchelli 1849 operates directly or through its subsidiaries in different countries (China, USA, India); also because of this increasing organizational complexity, the Company has decided to adopt this Code of Ethics together with the "Modello di organizzazione e controllo 231" (only for the Italian company Mazzucchelli 1849 Spa). The main issue of this code is to define in an homogeneous manner the principles, commitments and ethical responsibilities that the Company must adopt in the conduct of business operations and relations, both internally and with third parties. Mazzucchelli 1849 provides that the code will be extended to all owned and controlled companies of the group, so that the code will become a management tool and an effective and strategic element for its organization.

The Guiding Principles that drive Mazzucchelli 1849 activity reside in the respect of health and safety at work, environmental and labor protection, legality, fairness, honesty and loyalty, transparency, efficiency, confidentiality, professional enhancement, collaboration between colleagues and respect for the dignity of individuals.

1.2 Application of the code and recipients

Directors, Management, Employees of all Group Companies, as well as those who operate in Italy or abroad are called upon to observe and share the knowledge of these principles, to ensure that they are shared and observed in the context of their function and duties. All those who directly and/or indirectly, permanently or temporarily are acting on behalf of the Company, must comply with the Code.

Intermediaries and suppliers of goods and services are also recipients and therefore should be properly informed of the rules of conduct contained in the Code and should conform their behavior for all the endurance of the relationship with the Company.

All recipients must know the Code, give active implementation and report any behavior that is noncompliant to the responsible manager and to members of the Supervisory Board (SB). Mazzucchelli 1849 promote this Code both internally and externally.

Moreover, Mazzucchelli 1849 is committed to identifying the Human Resource Manager as a further reference to the promotion of knowledge and application of the code within the Group. The implementation of the Code is determined by the CEO and the General Manager of Mazzucchelli 1849, while control is delegated to the specific Supervisory Board established for the purposes by Italian Law with Legislative Decree 231 / 01.

1.3 Value of the Code

The Code is an integral part of employment relationship since its rules embody the behavior that recipients must follow according to the Laws of the countries in which companies operate.

The recipient who violate the Code will be subject to disciplinary action up to and including discharge; the infringement could determine a legal action for damages caused by the same infringement. For recipients not employees, compliance with the Code is a basic condition for the professional relationship with the Group.

2. Management of activities

2.1 Employees relations

2.1.1 Behavior criteria for employees relations

During selection and recruitment the staff assessment is based on matching candidates profiles with the expected and business needs, with the guarantee of equal opportunity for all future collaborators avoiding favoritism, nepotism or cronyism. The information requested during the selection and hiring will be closely linked to the analysis of the professional characteristics and aptitude in respect of the private sphere and opinions of the candidate.

Mazzucchelli 1849 avoids any form of discrimination against its employees, offering them equal opportunities according to their professional qualifications and skills regardless of creed, sex, race, political beliefs or trade union membership. All staff is hired with regular employment contract, the company does not tolerate any form of illegal labor. Staff from third countries should be provided with a valid permit as requested by the law of the host country.

The Company prohibits child labor and other illegal or inhumane labor practices, it does not tolerate any kind of discrimination, harassment or victimization. The Company promotes the development of relations among employees by encouraging involvement and promoting an enabling environment.

2.1.2 Conflicts of interest

All employees of Mazzucchelli 1849 are expected to avoid situations which might be subject to conflicts of interest and refrain from taking personal advantage of business opportunities they become aware during the execution of their functions. It is not allowed, for example, to hold direct or indirect interests in competitors, customers and suppliers, or to be involved in companies in charge of the certification of accounts. All employees must be free from the influence of personal considerations when representing the Company in transactions with external partners. In the event that it occurs even the appearance of a conflict of interest the employee should promptly notify his manager, who must inform the Head of Human Resources and the Supervisory Board.

2.1.3 Protection of company property and assets

Every employee is required to work diligently to protect all assigned company properties, including those used for the performance of his duties (for example we mention machinery and equipment, security systems, cars, phones, computers, information systems in general), as well as prevent their fraudulent or improper use, by acting responsibly and in line with the objectives and operating rules, set to precisely explain how and to regulate their use. The utilization of all properties made available by Mazzucchelli 1849 must be functional, reasonable and exclusive to the execution of specific work related activities.

2.1.4 Privacy

The employee must know and put into effect the Company's rules and policies regarding information's security, integrity, confidentiality and availability. The information obtained in the performance of assigned tasks must remain strictly confidential and appropriately protected and cannot be used, communicated or disclosed, both inside and outside the Company, with exception of specific law or Company procedures. All information archived in the computer and electronic systems of the Company, including electronic mail, are property of the Company and must be used exclusively for the development of business activities according to the rules and policy of the Company.

2.1.5 Notification of information

Whoever have notice of unusual situations or receives instructions conflicting with the law, with Company policy, with this Code of Ethics, with the “Modello di organizzazione e controllo 231”, with employment contracts and with all the relevant regulations, should notify it to the Supervisory Board and the Human Resources Manager. Any retaliation against anyone who has in good faith reported possible violations of the Code of Ethics and Management Rules or requested explanations regarding methods of application of the Code of Ethics and Management Rules in the company is considered a violation, so as well as the behavior of anyone accusing other employees of violations with the knowledge that such violation does not exist, it is considered a violation.

2.2 Suppliers relations

2.2.1 Line conduct criteria with suppliers relations

The supply chain of goods and services is based on the search for the maximum competitive advantage for the Company and the granting of equal opportunities for all suppliers. It is based on pre-contractual and contractual behavior of mutual loyalty, transparency and collaboration. The selection of suppliers must be guaranteed by parameters of objectivity, ethics, quality, convenience and price equity, respect for competition, impartiality, capacity and efficiency. An adequate number of candidates must be examined. As regarding the purchase of machinery and equipment suppliers are also selected according to the compliance of their product with regulations on safety and hygiene at work. In case of outsourcing of activities to be performed within the Company or in the production cycle, or in case of contracts, the technical and professional qualifications of third parties should be checked, in accordance with specific legal obligations on safety and hygiene at work. In case the supplier, performing its activities for Mazzucchelli 1849 adopts conduct not in line with the general principles and values of this Code and the requirements of safety, environment and quality, the Company is duly authorized to take appropriate measures, even to preclude any other chance of collaboration.

2.3 Customer relations

2.3.1 Customer Relations

Customers satisfaction is the main issue in the relations with them. Anyway, to protect the image and reputation of the Company is fundamental that relations with customers, including advertising, are marked by full transparency and fairness and are compliant of the laws. It follows that all those who are directly involved in the relations with customers must provide comprehensive, clear, accurate and truthful information about products and services provided. Mazzucchelli 1849 on the base of public available information and in compliance with the existing laws and regulations, prohibits to establish and maintain business relations with entities involved in illegal activities, in particular related to the cases covered by “Modello 231”, and with people lacking the necessary requirements of professionalism and commercial reliability.

2.3.2 Contracts, agreements and customers communications

The contracts, agreements, orders and customer communications, in order to be truthful and not misleading, must comply with the following principles and rules:

- to be clear and simple, using language as close as possible to that normally used by the counterparts;
- comply with current regulations, without resort to elusive or improper practices;
- comply with the Company commercial policies;
- complete, without omitting elements relevant to the decision of the customer.

2.4 Relations with governments, regulatory authorities and public administration

In addition to operating in accordance with the laws and regulations in force and to maintain an open and constructive relations with governments and authorities, Mazzucchelli 1849 intends to maintain correct and transparent relations with the public administration, understood as any public entity, independent administrative agency, person or entity acting as a public official or civil servant.

2.4.1 Conduct related to declarations and statements to the Public Administration

It is not allowed to use or present false declarations or untruth documents, or omit information to achieve, for the benefit or in the interest of the Company, contributions, loans or other payments granted by the State, a public Institution or by the European Community. It's forbidden to mislead anyone with tricks to provide the Company with an unfair profit and cause damage to third party. The violation of this prohibition is even more serious if being misled is the State or a public Institution.

2.4.2 Political contribution

Any contribution by the Company to politicians must be made in accordance with local laws of the country. The staff of the Group pursuing political activity as an individual must never use the name of Mazzucchelli 1849 or release information relating to the Company during its activities.

2.5 Relations with Group Companies

Communication between Mazzucchelli 1849 and its and subsidiaries must be clear and precise so that false or imprecise information do not cause damage to the companies involved. This Code of Ethics is a fundamental management tool and an effective element of strategy and organization, however, can partly be declined in its various subsidiaries according to specific local situations and in accordance with Mazzucchelli 1849.

3 Health, Safety and Environment

For Mazzucchelli 1849 compliance with the legislation on safety and health at work is a critical success factor and all activities are managed in order to prevent accidents and to grant safety and hygiene of workers in accordance with national and international rules. The Company provides conditions that are organizationally, technically and economically aimed at granting an adequate prevention of accidents and ongoing maintenance of a healthy and safe working environment. Moreover, Mazzucchelli 1849 is committed to spread and reinforce amongst its employees a culture of safety and awareness of risks promoting responsible behavior of all employees and associates who work at different levels in the Group.

Training and information on the risks associated with the specific operational task are always guaranteed in addition to personal protective equipment according to the activity carried out. Mazzucchelli 1849 is careful to safeguard the environment and manages the environmental impacts associated with its activities, in terms of products and production technologies always in compliance with the law and looking for new sustainable solutions.

4 Transparency and fairness of accounting and corporate

Accounting must be truthful, complete and transparent, to this aim every operation, transaction, accounting activities must be recorded, traceable and verifiable and a complete and adequate supporting documentation must therefore be kept in the records of the Group companies. Any action, operation or transaction must therefore be properly recorded in the company accounting system, according to the criteria set by the law and accounting standards; it must also be duly authorized, verifiable, legitimate, consistent and appropriate. Each individual involved in these activities must cooperate to ensure that all operations are properly and timely reported in accounting. All those who become aware of omissions, falsifications, alterations of the information and supporting documentation should report to their manager and the Supervisory Board.

All individuals who, for whatever reason, operates in the economical and financial management of the Company should not behave, in any way, that may interfere with the activities of control and audit. It is therefore absolutely forbidden concealing material and/or documents in order to mislead, prevent or obstruct the specific controls.

5 Adoption, respect and changes of the code of ethics

This Code of Ethics was approved by the Board of Directors of Mazzucchelli 1849 SpA on May 7, 2015 and any amendments and/or updates will be approved by the same corporate Board and promptly communicated to stakeholders. Mazzucchelli 1849 is committed to enforcing the provisions of this Code also through the Supervisory Board.

5.1 Reporting violations

Any person required to comply with this Code of Ethics who becomes aware of a fact and/or circumstance or conduct that violates the Code itself, is required to promptly notify to his manager and/or Human Resources Manager and Supervisory Board. The company must organize an adequate communication system for the stakeholders who need to report on the application or violations of the Code. The Human Resources Manager and the Supervisory Board shall ensure that those who have made reports are not subject to retaliation, discrimination or penalty, ensuring, therefore, appropriate confidentiality (except the Law states otherwise).

5.2 Measures

The Board of Directors determines that the CEO, the General Manager and the Head of Human Resources jointly define appropriate action to be taken in case of a violation of this Code. The main purpose of such actions shall be to deter infringement, to promote responsibility and the sharing of this Code. In each case, to determine the most appropriate action, the previous actors will have to consider all elements of information available, the nature and severity of the violation, if it is an isolated incident or it is repeated over time, whether the violation appears intentional or unintentional, whether the person in question had been advised before about the correct behavior to be applied and if the same person has committed other violations in the past. They will be subject to discipline even the directors, officers and employees who have knowledge of a violation and do not act promptly to report or correct it, and directors, officers and employees who order or approve violations. Certain violations of this Code are illegal and the director, executive officer or employee who does the illicit may incur civil or criminal liability.

5.3 Knowledge and dissemination of the Code of Ethics

The Code of Ethics is brought to the attention of stakeholders inside and outside the Company by specific communication and dissemination means. The Code of Ethics is distributed to all employees being recruited and made available to all third parties who enter into business relationship with Mazzucchelli 1849. The adequate knowledge and understanding of the Code of Ethics by all staff is assured through information programs and training defined by the Company. The Code of

Ethics is made accessible at any time to all staff and is the responsibility of each employee to consult the Human Resources Manager for any clarification concerning the interpretation or application of the conduct rules of the Code.