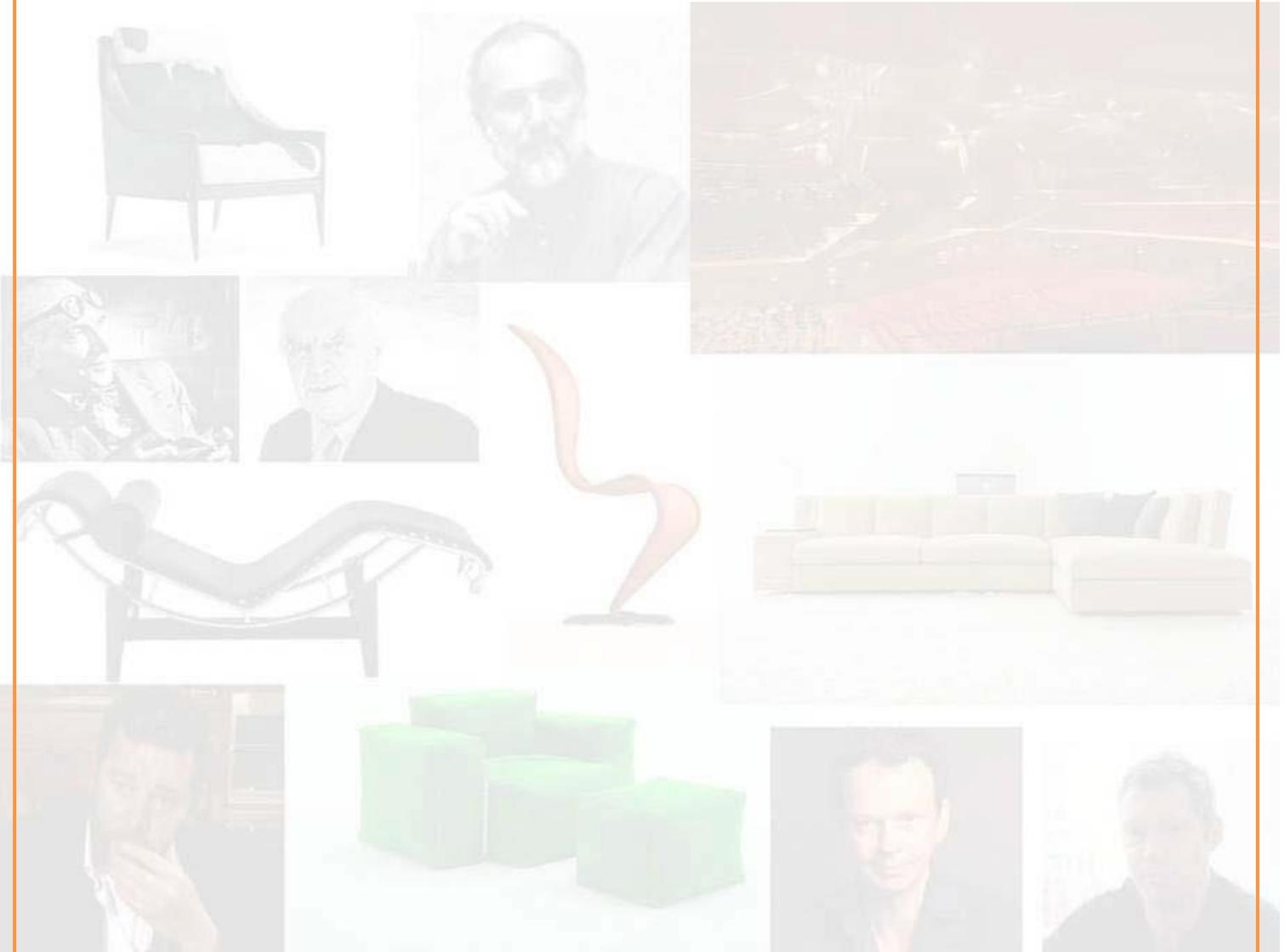




POLTRONA FRAU S.p.A.

## Code of Ethics of the Group

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## 1. Foreword

This Code of Ethics (hereafter also the “**Code**”) is an official document drawn up in order to define and express the fundamental ethical values and principles that the Poltrona Frau Group (hereafter, also the “**Group**”) adheres to when conducting its business and corporate activities.

The target of this Code is composed of corporate bodies and their members, employees, workers including temporary workers, consultants and collaborators of any nature, attorneys and any other subject that may act in the name and on behalf of each Group Company (hereafter, also the “**Target**”).

The Code, considered in its entirety and together with the Organisation and Management Model including its annexes and all the specific procedures approved by each Group Company, must be considered as an integral part of the employment contracts existing or to be entered into, pursuant to art. 2104 of the Italian Civil Code.

Any violation of the provisions included in the Code shall therefore lead to an offence of disciplinary nature and, as such, shall be prosecuted and sanctioned by each Group Company pursuant to art. 7 of law 300/1970 and may lead to the compensation for damages suffered by the Companies.

For collaborators, consultants and self-employed workers working for the Companies and other third parties, the adhesion to the principles set forth in the Code represents a *conditio sine qua non* to draw up contracts of any nature between the Companies and these subjects; the signed provisions or, in any case, the approved provisions, also for conclusive events, constitute an integral part of the same contracts.

In light of the above, any violation by third parties of the specific provisions set forth in the Code, on the basis of their gravity, may legitimate the withdrawal by each Group Company from the contractual relations existing with these subjects and likewise may be identified *ex ante* as a cause of automatic termination of the contract pursuant to art. 1456 of the Italian Civil Code.

The Target is obliged to read the content and comply with the rules of the Code of Ethics.

In setting the corporate objectives, the administrative bodies of each Group Company undertake to promote the principles contained in the Code of Ethics.

The top management of each Group Company is responsible for the actual enforcement of the Code and its circulation inside and outside the Company.

The employees of each Group Company, in addition to respecting the regulations in force and the provisions set forth in collective bargaining, undertake to adjust the methods of performing their work activities to the objectives and provisions under this Code of Ethics; this applies to both intra corporate relations and relations with subjects that are external to the Company, and in particular with the Public Administration and the other Public Authorities.

**Supervisory Body:** the Supervisory Body is in charge of monitoring compliance with the Code of Ethics.

The corporate bodies and their members, the employees, consultants and continuative and

coordinated collaborators, agents, attorneys and third parties acting on behalf of each Company must cooperate as far as possible in encouraging the performance of the Supervisory Body's functions.

**Violation:** In the event of violation of the Code of Ethics, each Company – subject to the provisions set forth in the current legislative framework and in labour contracts – shall take disciplinary measures against the persons responsible for the violation, which may consist in sending these persons away from the Company, as well as requesting compensation for the damages caused by the violation itself.

Failure to comply with the rules of the Code of Ethics by corporate body members may result in adoption by the relevant corporate bodies of the most appropriate measures provided for and allowed by law.

Any violation of the rules of the Code Ethics by employees represents a breach of the obligations ensuing from the employment relationship, with all contractual and legal consequences, and may be regarded as a breach of discipline.

Any violations committed by suppliers, external collaborators and, in general, third parties, shall be sanctioned in accordance with the provisions under the contractual assignments, except in the case of more serious violations of law. Each Company shall use whatever means necessary and permissible in order to protect and distance itself from such conduct.

**Information and reporting:** The corporate bodies and their members, employees, consultants and continuative and coordinated collaborators, agents, attorneys and third parties acting on behalf of each Company shall be informed about the Code of Ethics.

Any concerns regarding the application of the Code of Ethics must be promptly submitted to the Supervisory Body and discussed with it.

Collaborators who are informed of any alleged illicit conduct must report the information that has come into their possession regarding the illicit conduct to their managers, or to the Supervisory Body and/or to the Human Resources Manager of each Group Company.

Whosoever is informed of any violation of the principles of the Code of Ethics or of other events that may alter its importance and effectiveness, must promptly notify the Supervisory Body.

**Conflict with the Code:** Should even just one provision of the Code of Ethics be in conflict with the provisions of internal regulations or procedures, the Code shall prevail over these provisions.

**Amending the Code:** Any amendment and/or integration to the Code of Ethics shall be made with the same methods adopted for its initial approval.

## 2. Mission

The Poltrona Frau Group is an international leader in the high-end furniture sector with renowned brands such as Poltrona Frau, Cassina, Cappellini.

The strength of the Poltrona Frau Group lies in focusing on diversity and complementarity at the same time.

A multicultural group featuring high-level business profiles that have contributed to the success of Italian design. Industrial and production synergies, innovation and experimentation, all with the knowledge of a life style that has never been as diversified as today.



Poltrona Frau pursues excellence and quality in its products through continuous research and innovation, while remaining faithful to a design that also reflects Italian style and tradition. Innovation is a core objective of the Poltrona Frau's workforce. It arises from constant and thorough research on materials, techniques and designs conducted with the aid of the most sophisticated and state-of-the-art equipment. Every phase of the company life focuses on quality. At each production step, from purchasing raw materials all the way to the end product, Poltrona Frau strives for quality through meticulous, methodical and constant controls, thus creating products that stand out for their individuality, functionality and ability to satisfy the needs of the most demanding customers.

### **Cassina**

Cassina works in the contemporary furnishing industry. It produces chairs, tables, armchairs, beds, furniture, with a particular flair for upholstered items and work in wood, leather and other top-quality materials. The Cassina collection has always been eclectic. It is open to design projects from varying cultures and historical backgrounds, welcoming them and making them its own, marking them with its own personality, its own trademark. A Cassina item is made from different skills and professions, which provide results that are always original and unique. The products of the Cassina collection have diverse inspirations, even contradictory at times. However, there is a common feature: the courage to seek quality across different types and styles, which have made Cassina products a benchmark for the international design world.



From 1946 until today, Cappellini has undergone a profound transformation that has led the company to compare with the most varied circles of the furnishing and design industry. From the first approaches to international creativity, passing through the marketing of high quality pieces, to presenting designers with different background and characters, over the years Cappellini has displayed various heterogeneous collections that cohabit with great harmony and facility under the same brand. Cappellini, founded as a handicraft firm, has leaned out to the new millennium indissolubly tied to the world of image, experimentation and search for models, often of the most refined simplicity, providing consumers with enough space for an

individual interpretation. Cappellini products are never dull or outrageous, rather there is always something light and alive about them, often full of a healthy sense of humour, or at times proposing daring and dynamic formal solutions: these are the features that make the Cappellini collection full of lively ruptures and contradictions. Cappellini bravely continues to work with designers from around the world, with different temperaments, who do not create a true Cappellini style, but participate to forming a balanced and enticing collection.

### 3. Values

The Poltrona Frau Group draws inspiration for its activity from the following key values:

- **HONESTY:** in performing its working and professional activities, the Target of the Code must diligently comply with the laws in force in the Countries it operates in. Consequently, a dishonest conduct cannot even find justification in the fact that the Group Companies' interest is being pursued.
- **FAIRNESS OF THE MANAGEMENT SYSTEM:** each Group Company pursues its corporate mission by ensuring adequate transparency of the decision-making processes and of the choices made.
- **CONFIDENTIALITY:** each Group Company protects the confidentiality of the information acquired while performing its activity.
- **COLLABORATION:** every Group Company acknowledges the importance of collaboration between managers, employees and collaborators, and the development of synergies between the various individuals that take part in the company business.
- **ENHANCING HUMAN RESOURCES:** each Group Company acknowledges the expertise and skills of each single company member, which are essential for its development, and promotes the enhancement of human resources through training and refresher programmes.
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- **TRANSPARENCY AND INFORMATION:** The Poltrona Frau Group assures the full transparency of its choices and pursues the objective of maintaining and developing a constructive dialogue with its shareholders. Therefore, in line with the defined procedures, it promptly provides its shareholders with all the information that may influence investment decisions so as to allow informed and conscious decisions to be taken.

- **SAFETY AND THE ENVIRONMENT:** the Group considers safety at work an essential value and is consequently committed to spreading and consolidating a culture of safety, considering the protection of the workers' safety and the environment at the same level as production. The Group respects the environment as a resource that must be protected, for the benefit of the community and of future generations.
- **VALUES RELATING TO ITALIAN LEGISLATIVE DECREE NO. 231/01:** each Company Group intends ensuring that the corporate bodies, employees and whoever acts on its behalf, always operate in observance of the law and do not commit offences that may entail application of one of the pecuniary and/or restrictive sanctions provided for in Italian Legislative Decree no. 231/2001 in the event that such offences are committed to the advantage or in the interest of the Company itself.

The Code, therefore, is part of a more general project aimed at providing an ethical identity to the Group and explaining the values that the Group requires to be observed in the conduct engaged in by its members.

**As a result, the Poltrona Frau Group wishes to strongly state that the integrity and lawfulness of its activities and business represent and shall always represent an essential value for the Group.**

#### 4. Principles

##### **GENERAL PRINCIPLES AND PRINCIPLES OF THE ORGANISATION**

- PRINCIPLE 1** Each Group Company draws upon the principles contained in this Code for carrying out its activities.
- PRINCIPLE 2** Compliance with the laws and regulations in force in the Countries where each Group Company operates, is an essential principle.
- The corporate bodies and employees of each Group Company must comply with the laws and regulations in force in the Countries where the Company operates.
- Each Group Company shall require the same commitment to its consultants, continuative and coordinated collaborators, agents, attorneys and third parties that act on behalf of the Company.
- PRINCIPLE 3** Compliance with the rules on professional ethics which the Code has formally adhered to is an essential principle for each Group Company.
- In performing their respective tasks, the corporate bodies and employees of each Group Company must comply with the rules on professional ethics that the Group formally adheres to.
- The Group requires the same commitment from its consultants, continuative and coordinated collaborators, agents, attorneys and third parties that act on behalf of the Company.

**PRINCIPLE 4** The Group recognises the central role played by human resources and believes that the key factor for the success of a company lies in the professional contribution of the people who work inside it, in a context of fairness and mutual trust.

In selecting, recruiting and promoting its personnel, each Group Company carries out evaluations exclusively based on the correspondence between expected profiles and requested profiles, and on transparent and verifiable considerations.

Candidates are recruited in full compliance with legislation in force at the time, including all the preliminary checks required when recruiting foreign workers.

**PRINCIPLE 5:** Each Group Company is provided with a structure that aims at ensuring sound and prudent management, risk containment and financial stability, by regularly controlling and assessing the appropriateness and effectiveness of the requirements provided for by applicable legislation and by taking prompt and suitable measures to address any possible deficiencies.

The corporate bodies and employees of each Company must observe company policies and operational procedures.

Each Group Company draws upon the following principles for developing its corporate governance:

- assure the sharing of tasks between and within corporate bodies in order to guarantee the balancing of powers and effective and constructive communication;
- prevent possible adverse effects on management resulting from the possible coexistence of two or more functions (strategic, management, control) within the same corporate body;
- ensure that corporate bodies are structured, by number and professional expertise, in order to allow effective performance of their tasks.

**PRINCIPLE 6** The Group requires each Company to adopt clear and formalised rules that guarantee sharing between stakeholders, responsibilities and authorisation levels, as well as the traceability of the process for the assignment of duties to consultants and collaborators, the procurement of goods and services, and the execution of payments. Intra corporate operations are implemented at market conditions and governed by principles of transparency and traceability.

**PRINCIPLE 7** The Group requires each Company to adopt clear and formalised rules for handling the gifts management process, ensuring traceability, segregation of duties and definition of specific limits on expenditure.

**PRINCIPLE 8:** The corporate bodies and employees of each Company must promote the application and diffusion of the principles contained in this document and raise awareness in third parties that come into contact with each Company towards observing these values.

***PRINCIPLES AIMED AT PREVENTING OFFENCES AGAINST THE PUBLIC ADMINISTRATION, AGAINST THE PUBLIC ADMINISTRATION'S ASSETS AND AGAINST THE ADMINISTRATION OF JUSTICE***

**PRINCIPLE 9:** In their relations with Italian or foreign Public Administrations, each Company, its bodies, employees, consultants and collaborators, agents, attorneys and in general any third parties that act on behalf of the Company, must observe the principles of impartiality and efficiency which the Public Administration must comply with.

**PRINCIPLE 10:** The Group prohibits any conduct aimed at improperly influencing the outcome of criminal proceedings. The Group also prohibits any conduct by any person, on behalf of each Company, consisting in directly or indirectly promising or offering money or other assets to Italian or foreign Public Officials and/or persons charged with a Public Service, which may result in an unlawful or illicit interest or advantage to the Company.

The aforementioned conduct is not permitted, whether assumed directly by the Companies, their bodies or employees, or assumed through intermediaries that act on behalf of the Company itself: consultants, continuative and coordinated consultants, agents, attorneys and third parties.

**PRINCIPLE 11:** The people entrusted by each Company with the task of following any request or relation with Italian and/or foreign Public Administrations must for no reason attempt to improperly influence the decisions of Public Officials or persons charged with a Public Service.

**PRINCIPLE 12:** The Group prohibits the use of contributions, subsidies or financing from the Government, the EU or other public body, even if of modest value and/or amount, for purposes other than those for which they have been granted.

**PRINCIPLE 13:** The Group prohibits any conduct aimed at obtaining contributions, financing, subsidized loans or other similar disbursements from the Government, the EU or other public body, by resorting to altered or falsified declarations and/or documents or the omission of information or, in general, by means of artifices or deceptions, including those performed using an information or electronic system, aimed at leading the disbursing agency into error.

#### ***PRINCIPLES AIMED AT PREVENTING COMPUTER CRIMES***

**PRINCIPLE 14:** The Group prohibits any conduct seeking to alter the functioning of an information or electronic system, or to access the data, information or programmes contained therein without authorisation, with the aim to secure for the Company an unjust profit to the detriment of the Government.

**PRINCIPLE 15:** The Group also prohibits any potential conduct aimed at: accessing, without authorisation, information or electronic systems; abusively holding and diffusing access codes or programmes aimed at damaging information or electronic systems; intercepting or installing equipment for unlawfully intercepting, preventing or interrupting information and electronic communications; damaging information, data and computer programmes, as well as information or electronic systems. To this end, each Company shall set up all preventive and subsequent control procedures required to avoid such conduct.

## ***PRINCIPLES AIMED AT PREVENTING ORGANISED CRIME OFFENCES***

**PRINCIPLE 16:** The Group believes that public order is a fundamental value in the society it operates in. The Group condemns, therefore, the establishment of relations with subjects whose behaviour is not based upon principles of ascertained lawful and ethical conduct. To this end, each Company shall set up all preventive and subsequent control procedures required to avoid establishing and/or maintaining such relations.

## ***PRINCIPLES AIMED AT PREVENTING CORPORATE OFFENCES AND PRIVATE BRIBERY***

**PRINCIPLE 17:** The Group expressly prohibits conduct, by any person, aimed at altering the correctness and truthfulness of the data and information contained in the financial statements, reports or other company documents as provided for by law.

**PRINCIPLE 18:** The Group demands that each Company requests its Directors, Department Managers and employees, to uphold correct and transparent conduct in the performance of their duties, particularly in relation to any request made by shareholders, the Board of Statutory Auditors, other corporate bodies and the Independent Auditors in the performance of their institutional functions. The Directors must also notify the existence of any personal interest in the Company's transactions.

**PRINCIPLE 19:** The Directors of each Company are prohibited from engaging in conduct intended to cause injury to the integrity of the Company's assets. The Directors must not perform any type of corporate transaction intended to cause damage to the creditors.

**PRINCIPLE 20:** It is forbidden to perform any act, whether simulated or fraudulent, with the intention of influencing the will of members of the shareholder's meeting in order to obtain an improper formation of a majority and/or a different decision from that which would otherwise have been taken.

**PRINCIPLE 21:** It is forbidden to disseminate false information, both within and outside each Group Company, concerning the Company itself, its employees, collaborators and third parties with which it operates.

**PRINCIPLE 22:** It is forbidden to obstruct the functions of the Public Supervisory Authorities that come into contact with each Group Company due to their institutional functions.

**PRINCIPLE 23:** The Group prohibits conduct, by any person, consisting in directly or indirectly promising or offering money or other assets to private persons in order to obtain an unlawful or illicit interest or advantage.

The aforesaid conduct is not permitted when engaged in directly by the Company, by its Bodies or by its employees or when implemented through persons acting on the Company's behalf: consultants, collaborators, agents, attorneys and third parties.

***PRINCIPLES AIMED AT PREVENTING CRIMES OF TERRORISM AND SUBVERSION OF DEMOCRACY***

**PRINCIPLE 24:** The Group recognises the central role played by the Government and prohibits any use of its own resources for financing (even indirectly) and performing activities aimed at terrorism and subversion of democracy; it also adopts the most appropriate control and monitoring measures in order to prevent any potential conduct intending to commit these crimes.

The Target, wherever operating or located, is also expressly prohibited from becoming involved, even indirectly, in any practice or other action that may include conduct aimed at terrorism or subversion of democracy. In the event of doubt or should a suspicious situation arise, the Target is invited to report to its function manager or to the Supervisory Body.

Within the scope of current legislation, each Group Company shall adopt the most appropriate control and monitoring measures in order to prevent the implementation of activities that might integrate or even solely encourage, even indirectly, the commission of any crime of terrorism or subversion of democracy.

***PRINCIPLES AIMED AT PREVENTING OFFENCES AGAINST THE INDIVIDUAL***

**PRINCIPLE 25:** Individual freedom is considered an essential value by the Group. Within the scope of current legislation, the Group firmly condemns conduct that may in any way include offences against the individual. To this end, each Company shall adopt the most appropriate control and monitoring measures and also requires compliance with legislation, internal instructions and the rules of professional conduct adopted.

***PRINCIPLES AIMED AT PREVENTING OFFENCES RELATING TO HEALTH AND SAFETY AT WORK***

**PRINCIPLE 26:** The Group considers the safety of workers to be of fundamental importance and endeavours to guarantee safety in all different process phases. Within the scope of current legislation, each Company shall consequently adopt the measures required for protecting the physical and moral integrity of its workers.

In particular, each Company undertakes to:

- consider the observance of current legislation regarding workers' safety, health and hygiene as a priority;
- avoid risks for workers, to the greatest extent possible and guaranteed by developing the best available technique, also by choosing the most suitable and less dangerous materials and equipment in order to mitigate the risks at source;
- correctly evaluate and suitably mitigate unavoidable risks through appropriate safety measures at individual and collective level;
- diffuse, update and provide details on workers' information and training in relation to their tasks;

- ensure workers are consulted on issues regarding health and safety in the workplace;
- rapidly and effectively address any needs or non-compliances regarding safety issues that have arisen during the working activities or during checks and inspections;
- develop work organisation and related operational aspects so as to safeguard the health of workers, third parties and the community in which the Company operates.

In order to achieve the aforementioned purposes, each Company allocates organisational, instrumental and economic resources with the aim to guarantee full observance of the accident prevention legislation in force and the continuous improvement of both workers' health and safety at work and related prevention measures.

Employees, each insofar as it concerns them, must fully observe the provisions of law, the principles of this Code and of corporate procedures, and any other internal provision set forth in order to guarantee the protection of safety, health and hygiene at work.

**PRINCIPLE 27:**The Group bases its policies on guaranteeing as much compatibility as possible between economic initiatives and environmental requirements, not just ensuring mere compliance with legislation in force, but striving to achieve sustainable synergy with the territory, natural elements and workers' health. The Company therefore undertakes to comply with legislation concerning environmental protection and encourages the Target to reduce waste production and to use recycled and/or recyclable materials whenever this is possible.

***PRINCIPLES AIMED AT PREVENTING OFFENCES REGARDING RECEIVING STOLEN GOODS, MONEY LAUNDERING, USE OF MONEY, GOODS OR ASSETS FROM AN ILLEGAL SOURCE***

**PRINCIPLE 28:** The Group condemns any criminal offence against assets intended in a wider sense. Each Company, therefore, prohibits conduct by individuals in senior positions and by subordinates which may, even indirectly, encourage the commission of criminal offences such as receiving stolen goods, money laundering or the use of money, goods or assets from an illegal source. To this end, the Company shall set up all preventive and subsequent control procedures requested for the purpose.

***PRINCIPLES AIMED AT PREVENTING TRANSNATIONAL CRIMES***

**PRINCIPLE 29:** The Group condemns conduct aimed at committing transnational crimes. Each Company condemns conduct that might, even indirectly, encourage the commission of offences, whether of a national or transnational nature, such as criminal association, including the unlawful trafficking of narcotics or mind-altering drugs, perverting the course of justice, migrant trafficking, etc. To this end, each Company shall set up all preventive and subsequent control procedures.

**PRINCIPLES AIMED AT PREVENTING OFFENCES AGAINST INDUSTRY AND COMMERCE, COPYRIGHT OFFENCES AND OFFENCES RELATING TO IDENTIFICATION INSTRUMENTS AND DISTINCTIVE SIGNS**

**PRINCIPLE 30:** The Group protects industrial and intellectual property rights, including copyright, patents, logos and distinctive signs, by conforming to the policies and procedures provided for in relation to their protection and also by observing the intellectual property of others. Consequently, the unauthorised reproduction of software, documentation and other materials protected by copyright goes against the Group's policies. In particular, each Company complies with the limitations specified in the license agreements regarding the production/distribution of third-party products, or of agreements entered into with its own software suppliers, and prohibits the use or reproduction outside the provisions laid down in each of the aforementioned license agreements.

The Group prohibits conduct aimed at causing the loss, theft, unauthorised diffusion or improper use of its own industrial and intellectual property or the industrial and intellectual property of others, or of confidential information. To this end, each Company shall set up all preventive and subsequent control procedures requested for the purpose and ensure conformance to copyright legislation and to legislation regarding the safeguard of distinctive signs, such as logos and patents.

**PRINCIPLE 31** The Group recognises that the "Made In Italy" label is an important opportunity for the development of Italian companies and a key point that needs to be developed and safeguarded.

**PRINCIPLE 32** The Group condemns conduct aimed at unlawfully entering into possession of business secrets, lists of suppliers and other information pertaining to the business activities of third parties.

**PRINCIPLE 33** The Group believes that safeguarding the proper functioning of the economic system is a core principle for its activity and condemns conduct that impedes or disturbs the free exercise and normal performance of industry and commerce, by discouraging competitiveness also if aimed to acquire a leading position or monopoly. Each Company, therefore, draws inspiration for its conduct towards its competitors from principles of loyalty and correctness and, consequently, denounces and disapproves of any conduct that may impede or disturb the exercise of a company or business or anyhow aimed at committing crimes against industry and commerce.