



CODE OF ETHICS

of

FATER S.p.A.

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Approved by the Board of Directors on November 27, 2015

In order to ensure that its employees behave with integrity, Fater S.p.A. has established a set of *general principles* and has drafted a set of *operational directives* to be complied with during the conduction of their own duties.

Those principles and directives are drafted in the following

CODE OF ETHICS

1. GENERAL PRINCIPLES AND PURPOSE

The observance of the law, of the company in-house provisions, regulations and procedures, as well as ethical integrity and fairness are due to be constantly complied with by anyone in Fater, and are peculiar to the conduct of the entire organization.

Corporate affairs and activities in Fater must be carried out with *transparency, honesty, fairness, good faith* and in full compliance with competition laws.

Fater acts within the framework of reference of the United Nations Universal Declaration of Human Rights, of the ILO – International Labour Organization – fundamental conventions and the OECD Guidelines for Multinational Enterprises.

Anybody in Fater, with no distinctions or exceptions, shall adapt their actions and conduct to the principles included in the Code within the functions and responsibilities entrusted to them, being aware that compliance with the Code makes a basic part of the quality of their working and professional performance. Relations among people in Fater, at any level, must be inspired by *honesty, fairness, cooperation, loyalty and mutual respect*.

Under no circumstances should the belief to act to the benefit or interest of Fater be an excuse, not even partly, to behave against the principles established in this Code of Ethics.

This Code of Ethics has been drafted in order to clearly define a set of general principles and directives, the observance of which is of crucial importance for the proper functioning, reliable management and image of Fater, granting the utmost fairness, moral integrity and law compliance, perfectly matching the corporate Values.

Those principles shall inspire Fater's both in-house and external operations, behaviors and relations.

Fater provides an information and awareness-raising program on the provisions of the Code of Ethics and on its implementation to the subjects it refers to, so that Managers, Employees and anybody operating for Fater carry out their activity and/or tasks constantly and strictly observing the principles included in the Code.

Each department Manager must ensure that all the workers in the department he manages know and comply with the principles and guidelines included in this Code of Ethics.

Nevertheless, each of the subjects above must know its content and is personally responsible for his/her actions.

2. SCOPE

The principles and guidelines in this Code of Ethics are illustrative specifications of the general obligations of diligence, fairness and loyalty, which qualify the fulfilment of the working performance and the conduct at workplace.

The principles and guidelines of the Code of Ethics are binding for Managers, for anyone salaried by Fater S.p.A. (hereafter referred to as "Employees") and for anyone operating for Fater S.p.A., whatever the nature of their contract, even temporary, with the company (e.g.: external

collaborators, suppliers, staff leasing personnel or any other irregular/standard worker pursuant to the law).

Specifically, with reference to the latter category of “Third parties”, Fater S.p.A. has established the following guidelines:

- Anyone having signed a contract with Fater S.p.A. must know the principles which inspire the Code of Ethics of Fater S.p.A. and must observe and implement them.
- Any contract signed between Fater S.p.A. and Third parties must include termination clauses obliging the contractors to comply with the principles which inspire the Code of Ethics of Fater S.p.A. and providing for the immediate termination of the contract in case such obligation is infringed.
- Nobody outside Fater S.p.A. is allowed to engage Fater S.p.A. towards Third parties, save the cases in which this power has been conferred by special attorney issued by the Board of Directors or by the corporate department managers, properly holding a relevant proxy, on behalf or in the interest of whom those operations must be carried out; subsequently, those latter shall be responsible for the activity carried out by the external Subject whom they have conferred the power upon.
- The Code of Ethics is made known to Third parties whom Fater S.p.A. confer any task upon or having stable or temporary relations with the company.

Employees and Third parties are jointly referred to as “Recipients” hereafter.

3. OBSERVANCE OF THE LAWS AND GUIDELINES ON CONDUCT AT WORKPLACE

DUTIES OF EMPLOYEES

All the Employees of Fater S.p.A., in the performance of their functions, are required to comply with the Laws in force, to know and observe the corporate working and behavior procedures, as well as the instructions given by the employer, also through the supervisors.

INFRINGEMENT OF LAWS, RULES AND PROCEDURES

Any employee infringing the law, corporate procedures or instructions given by the employer, is punishable according not only to the Law but also to the disciplinary measures established in the relevant collective agreements: in proportion to the seriousness of ascertained violations, the infringement may be punished even with the maximum punishment of dismissal.

Should any Employee reasonably deem that a working activity is being carried out against the law, Values, principles or guidelines of Fater S.p.A., he/she must inform his/her direct supervisor or his/her own department Manager or the Human Resources and Organization Department. Specifically, as for Employees having a contract as Managers, they can directly report to the General Management.

ETHICAL BEHAVIOR

Each employee has the duty to act with honesty and in full respect of the Value of Integrity should the Law provisions nor the corporate guidelines not include clear conduct references, avoiding any action which might directly or indirectly damage Fater S.p.A. image and reputation before public opinion.

4. CONFLICT OF INTEREST

When carrying out their activity and/or task, Recipients pursue the general aims and interests of Fater S.p.A., and shall not be influenced by personal or familiar considerations which might affect, consciously or unconsciously, on their judgement on the actual interests of Fater S.p.A.

A conflict of interest may arise when a Recipient has a personal, familiar, financial or any other kind of interest, in other organizations that might benefit (a) from the decisions made by the Recipient when carrying out his/her tasks or (b) from the fact that the Recipient knows the future activities or programs of Fater S.p.A.

Taking into account the circumstances, Recipients shall inform with no delay their supervisors or person of reference about any situation or activity which may cause a conflict of interest with Fater S.p.A. (or in case their close relatives hold such interest) and in any other case when there are significant reasons of convenience.

Recipients shall comply with the decisions made by Fater S.p.A. to this respect.

By way of example only, the most frequent types of conflicts of interest for Employees are listed below:

INVESTMENTS

As a general rule, no Employee of Fater S.p.A. nor one of his/her relatives should own shares or earn a profit from capital investments in any competitor or supplier or clients with which he/she is in contact in the fulfilment of his/her job.

A small investment in competitors, suppliers or clients of Fater S.p.A. listed on the stock exchange, or a small ownership share through investment fund or fiduciary deposit, do not stand as a conflict of interest, provided that it does not impact on the Employee's engagement in favour of Fater S.p.A.

WORKING ACTIVITY

A conflict of interest arises when an Employee of Fater S.p.A. has any economic interest competing with the same company which may distract his/her energy and professionalism from his/her duties and responsibilities towards the company or which may turn detrimental to it in any way.

HIRING / WORKING ACTIVITY OF RELATIVES

A conflict of interest arises when the spouse or a kin of an Employee of Fater S.p.A. is employed by the same company, and thus he/she might influence decisions of work (positions, salary increases, etc...) with reference to the kin.

Similarly, a conflict of interest arises when an Employee of Fater S.p.A. whose relative is the owner/is employed by a client, supplier or competitor of Fater S.p.A., takes part, even indirectly, (making available any documents or confidential material of Fater S.p.A.) into decisions about the relations between Fater S.p.A. and such company or make available to his/her kin any confidential documents and material.

PROVISION OF GOODS AND/OR SERVICES TO Fater S.p.A.

An Employee involved, whether directly or indirectly, in the purchase of goods or services for Fater S.p.A. cannot hold interests in the companies providing those goods or services.

The same principle also applies when the purchase of goods or services is linked to corporate investments.

A conflict of interest arises when a Fater S.p.A. Employee or one of his/her relatives provides goods or services to Fater S.p.A. as a supplier.

A conflict of interest also arises when a Fater S.p.A. Employee or one of his/her family holds an economic interest in a supplier company.

This also applies when the Employee, despite having no direct working relations with the supplier, may influence the activities of Fater S.p.A.

5. CONFIDENTIAL INFORMATION / EXCLUSIVE CORPORATE INFORMATION

While working with Fater S.p.A., each Recipient handles materials and confidential information, many of which are actual industrial secrets.

Therefore, their protection is vital for the future success and stability of Fater S.p.A. as well as of its Employees, and whoever works for Fater S.p.A. factually undertakes the moral and legal duty not to disseminate such information.

For Employees, such commitment is also valid when he/she decides to leave Fater S.p.A.

Indeed, the laws in force grant the Employer with the property right of these information, whose dissemination is subject to sanctions.

Similarly, an Employee who has worked in a different company is compelled not to disseminate confidential information belonging to the former employer.

For any further information and more details on conduct, the Employee shall see the specific corporate procedures, previously published on the company intranet and available at each Department:

- Corporate policy and preventive safety rules of conduct and protection of corporate information and documents;
- Corporate policy and rules of conduct to access public electronic communication systems (Internet).

6. GATHERING INFORMATION ON COMPETITORS

In line with its values and with the values of the industrial Groups it belongs to, Fater S.p.A. believes that the collection and analysis of information on Competitors shall comply with the law and be as fair as possible.

For any further information and more details on conduct, the Employee shall see the specific procedure, previously published and available at each corporate Department:

- Corporate policy and rules of conduct to acquire information on Competitors.

7. PERSONAL BEHAVIOR AT WORKPLACE

Fater S.p.A. aims at ensuring a safe, healthy and productive working environment.

Each Employee is personally responsible towards his/her colleagues and Fater S.p.A. and shall help preventing any circumstance which might be detrimental to the quality of the working environment.

Fater S.p.A. undertakes to comply with all laws and regulations on equality in the right to work at any level of the organization and on non-discrimination, supporting and fostering by all possible means any initiative aimed at such purpose.

According to the principles of Fater S.p.A., people shall have their opportunity of employment basing on their merits and according to the requirements of the job.

Fater S.p.A. expects each Employee to comply with these principles.

RULES ON HARASSMENT

Fater S.p.A. undertakes to ensure a working environment where any kind of racial, sexual, religious, harassment as well as any harassment on nationality of origin, age, sexual behaviors, disability or any other personal characteristic not pertaining the work is ruled out.

Therefore, harassment against an Employee at Fater S.p.A., whether performed by another Employee, client or supplier, is not tolerated.

Should an Employee believe he/she is or has been subject to any kind of harassment, he/she can choose to speak to his/her direct supervisor or a manager of the Human Resources and Organization Department.

Fater S.p.A. shall immediately start an accurate investigation, adopt the necessary measures and protect the Employee from any retaliation or reprisal or any other negative consequence when he/she has reported the occurrence in good faith.

The compliance with the rules on harassment is part of the permanent conditions to be employed in Fater S.p.A.

The necessary measures will be adopted in case these rules are not complied with.

ILLEGAL BEHAVIORS/ABUSES AT WORKPLACE

Each Employee shall report actual or potential illegal behaviours/abuses at workplace, such as threats or aggressions against Employees or corporate properties, or however any alleged infringement of rules, laws, directives and procedures.

Supervisors must pay attention and listen to what reported by the Employees or their concerns about any possible infringement and must take the necessary preventive measures to eliminate or minimize the risks, keeping a professional conduct and with the maximum respect for individuals, as well as preventing any situation which may worsen, rather than improve, the situation.

Moreover, the Safety Department and the Human Resources and Organization Management shall be immediately informed of any actual or potential illegal behaviours/abuses at workplace, so that those cases can be managed as efficiently as possible.

Whoever threatens to commit or commits an illegal act or an abuse during the course of his/her duties shall be subject to the disciplinary procedures referred to in the relevant collective contracts, as well as to any legal action.

8. BUSINESS RELATIONS

In its business relations, Fater S.p.A. follows the principles of legality, fairness and accuracy.

INVITATIONS / GIFTS

Recipients shall never provide nor accept travels, holidays, objects nor any other personal benefit which are linked in any way to his/her activity for Fater S.p.A., as such behaviour could give rise to the belief of being obliged in the name and on behalf of Fater S.p.A., or would cause a possible conflict of interest for the Recipient.

Obviously that is not the case for moderate values (e.g.: pens, calendars) or the mutual offer of meals on the occasion of work visits.

9. SAFETY, HEALTH AND ENVIRONMENT

Fater S.p.A. cares about safeguarding the health of its Employees and protecting the environment and has resolved to certify the activities related to these fields, in compliance with the business regulations in force.

Fater S.p.A.:

- Undertakes to implement safe activities in order to protect the health of its Employees and of the communities around facilities, to provide high quality and high value products in order to

improve the life of consumers and the environmental quality of its products and activities necessary to manufacture them.

- Ensures that its Policy on Safety, Health and the Environment will not be called into question by operational strategies.
- Regularly revises its systems performance and efficiency to achieve the Safety, Health and Environment targets.
- Regularly informs its Employees on its Policy on Safety, Health and the Environment, and provides a specific training.
- Requires that each Employee understands and keeps a safe conduct in his/her daily work, respecting the environment and the health of oneself and the others.

Fater S.p.A. has introduced some Safety, Health and Environment Management Systems aimed at continuously improving performance and, to this purpose, it has:

- Officialized and issued a Safety, Health and Environment Management Policy.
- Identified safety risks and environmental impacts, whether significant or not, connected to its activities, products and services, to establish the impact on human health and the environment.
- Identified legal requirements and relevant regulations.
- Identified priorities and set targets.
- Created an appropriate body at its Office, within its organization, to implement the policy and achieve the targets. Such body ensures the technical skills and powers to check, evaluate, manage and control risks
- Implemented the planning, implementation, control and audit/revision activities to ensure that the policy on Safety, Health and the Environment is complied with and that the management systems are appropriate.
- Created the conditions to adjust to any changing circumstances.

With regard to Environment, Safety and Hygiene, Employees shall see and refer to the corporate procedures in force, which are available in each production department of the Plant, as well as to the procedures on “Opening and delivering mails” and to the “Emergency Procedure – Headquarters”, available at each corporate Management, which all Employees must know and observe, as long as they are concerned.

10. PRODUCT SAFETY

Fater S.p.A. complies with all applicable laws and rules referring to its products and to their processing, handling, stocking and shipping activities.

Any infringement implies sanctions to the people and the company and may expose Fater S.p.A. to the risk of liability for damages against third parties.

Fater S.p.A. is responsible for training its Employees, who shall comply with the laws and in-house procedures regulating the activities they are involved into, in their turn, by any means available in the company.

The principles to develop the product safety programmes are referred to hereafter:

- Fater S.p.A. products must be harmless to humans and the environment when used according to the conditions they have been designed for and in those reasonably foreseeable.
- Fater S.p.A. quality assurance programme shall provide a real guarantee that only formulas ascertained as “safe” are marketed.
- Fater S.p.A. undertakes to comply with all the laws referred to product development and labelling.

With regard to Product Safety, Employees shall see and refer to the corporate procedures in force distributed in each production department of the Plant.

11. FAIRNESS IN THE RELATIONS WITH CUSTOMERS AND SUPPLIERS

Consistently with its Vision, Fater S.p.A. undertakes to provide high quality and high value products to better meet the consumers' needs.

RELATIONS WITH CUSTOMERS

Fater S.p.A.'s success depends on the fruitful relations with customers.

Fater S.p.A. is aware of its customers' own needs and expectations, which stand as unique opportunities for the success of both and establishes its relations with all its customers on the basic values of integrity, honesty, fairness, mutual respect and trust, and non-discrimination.

THE STATE AS A CUSTOMER

Fater S.p.A.'s products are often purchased by public bodies for consumption or resale to public utilities users (as an example: Local Health Units, Town Halls, etc.).

In the management of such relations, Fater S.p.A. strictly keeps to the provisions of the Law and regulations on the purchase of goods and services by public bodies.

The Recipients in charge of supplying public bodies shall know the rules and regulations on these relations.

The personnel in charge of negotiating and managing the contracts with public bodies must ensure that any statement and explanation to the competent Authorities are true and exact, including those on costs and financial data.

RELATIONS WITH SUPPLIERS

Fater S.p.A. establishes its relations with its suppliers on the basic values of integrity, honesty, fairness, mutual respect and non-discrimination.

Fater S.p.A. encourages a continuous and broad cooperation with the suppliers with the purpose of establishing sound and long-lasting relations, without diminishing the importance of an healthy and competitive scenario, which is fundamental for a good business performance.

The selection of suppliers and the setting of purchase terms are based on an objective evaluation of the quality and price of the goods or service, as well as on the guarantees of assistance and promptness.

The Company relations with its suppliers are based on the following key principles:

- Exclusively a merit system regulates the purchase of materials and services, which is based on the actual value of the goods/service offered by competing providers.
- The Company does not apply nor approve any form of "reciprocity" with its suppliers: the materials/services required by Fater S.p.A. are chosen and purchase basing on their value only, and similarly Fater S.p.A.'s products are sold only thanks to their value.
- Any negotiation with a supplier, whether actual or potential, must be exclusively limited to the goods and services offered by or requested to the supplier, without sharing any reference to contracts awarded to other suppliers, nor to activities or actual or potential costs with other suppliers.
- The Employees taking decisions on the purchase of goods and services shall not be subject to any form of pressure by suppliers, whether actual or potential, to donate materials, products or money to charities or alike.

Any Employee having frequent or occasional relations with suppliers or potential suppliers, shall refer to Fater S.p.A.'s directives on Conflict of Interest and Business Relations.

12. RELATIONS WITH INSTITUTIONS

Fater S.p.A.'s relations with national, European community and international public institutions ("Institutions"), as well as with public officials or people in charge of a public service, or bodies, representatives, agents, spokespersons, members, Employees, consultants, people in charge of public functions or services, of public institutions, public administrations, public bodies, even economic, of public local, national or international bodies or companies ("Public Officials") are managed by each Director and each Employee, whatever their function or task is, or by Third Parties, if any, as referred to in paragraph 2 of this Code, in compliance with the regulations in force and basing on the general principles of fairness and loyalty, as well as according to the methods to confer proxies and delegation described also in the current "Organization and Control Management Model" of Fater SpA.

Should it deem it appropriate, Fater S.p.A. may support the programmes of public bodies aimed at creating collective utilities and benefits, as well as the activities of foundations and associations, always in compliance with the regulations in force, the principles of the Code, the whole "Organization and Control Management Model" of Fater SpA, the in-house procedures and policies.

13. ADVERTISING AND PROMOTION OF THE CORPORATE PRODUCTS

Fater S.p.A. develops advertisements and promotional activities which shall not only be effective on customers but also truthful, in line with its Vision and the desired behaviours and compliant with all regulations in force.

This is a pillar of our focus on Consumers and is fundamental to obtain and maintain their loyalty to our brands and products.

The value of Integrity is fundamental and shall never be jeopardised; therefore, with no respect for any short-term profits and benefits, the Company does not allow nor justify any form of misleading advertising nor any legally or ethically questionable promotional activities, with special protection to children, in any way involved into advertising messages.

Statements about corporate products or competitors' products must always be supported by objective product tests, based on sound statistic and scientific principles.

Also, consumers acting as testimonials of corporate products, shall stay within those restrictions.

Corporate statements to this respect shall always be checked preventively from a legal point of view and by the Public Relations Office.

As for promotional activities, such as discounts or prize-contests, the specific corporate bodies must be preventively and jointly asked for advice (as defined in the specific in-house procedures).

14. ACCURACY OF OFFICIAL DOCUMENTS

All official documents on the management of Fater S.p.A. must be accurate, truthful, complete and compliant with the regulations in force, with no exceptions.

Thorough information and ethical evaluation are fundamental for any document to be accurate.

Recipients in charge of drafting, evaluating and updating official Fater S.p.A. documents must consider that it is extremely important to Fater S.p.A. that those documents are accurate.

Furthermore, everybody must consider that Fater S.p.A. has no, and does not authorize, any "irregular fund" for any reason.

This means that, with no exceptions, all Fater S.p.A. funds must be recorded in the official documents of Fater S.p.A. and each income and outflow shall be accurately and completely

identified.

Moreover, Fater S.p.A., does not approve concealed payments through Third parties, such as agents or consultants.

It is compulsory to comply with the laws on accurate and thorough bookkeeping, also with reference to Fater S.p.A. books of accounts, financial statements and any corporate information.

Fater S.p.A. expects honest, objective and fair bookkeeping.

At the same time, as fairness leaves out the aware participation in any illegal or unethical activity, anyone keeping intentionally fake or counterfeit documents relating to Fater S.p.A. will never be justified.

15. INTERNAL AUDIT POLICY

Internal audits may refer to working systems and processes linking policies, authorizations and procedures to appropriate auditing and reporting administrative and management systems, aimed at ensuring the correct development of business activities.

Performing valid and efficient internal audits is mainly a responsibility of each department.

All managers must make sure to have policies and procedures in their field of activity and that they are understood and implemented.

Specifically, each auditing system must ensure the compliance with the following reference principles:

- Existence of formalized procedures
- Ex post traceability and verifiability of transactions through appropriate supporting documents/information;
- Segregation of duties
- Existence of formalized powers of attorney consistent with the organizational responsibilities assigned
- Corporate assets properly safeguarded
- Accurate and reliable financial and management reporting, in order to provide a faithful picture of the actual business activities.
- Corporate activities compliant with the regulations in force and with corporate procedures.
- Efficient and effective business activities.
- Proper training for new employees on the control systems.

Each Employee is requested to fully cooperate with the corporate Internal Audit bodies, and with any external auditors, providing broad and thorough information.

16. RECCOMENDATION ON DOCUMENTS DRAFTING

Any document involving Fater S.p.A., even if it is issued to be used in-house only, could be used for legal purposes.

Therefore, any document must be drafted according to ethical principles and basing on factual data which cannot be misunderstood, in order to avoid any negative consequence, even only on the image of the Company only, whether it becomes public or stays in-house.

17. NON-COMPLIANCE WITH THE CODE OF ETHICS

Complying with the rules set in the Code of Ethics makes a fundamental part of the contractual duties of the Employees, pursuant to article 2104 of the Italian Civil Code.

Non compliance with the rules of the Code of Ethics may constitute a breach of the primary duties of the work contract or disciplinary offense, pursuant to the procedures referred to in art. 7 of the Statute of Workers, with all the consequences provided by law, also with regard to the continuation

of the work contract, and may imply the compensation of the damages ascribable to the non compliance.

Complying with the rules set in the Code of Ethics makes a fundamental part of the contractual duties undertaken by Third parties having a business relation with the company.

Non compliance with the rules of the Code of Ethics may constitute a serious breach of the contractual duties pursuant to art. 1453 of the Italian Civil Code, with all the consequences provided by law, also with regard to the termination of the contract and/or task and may imply the compensation of the damages ascribable to the non compliance.

18. FINAL NOTES

Obviously, it is impossible to list any possible situation which may have legal and/or moral consequences and may involve an Employee or a Third Party, in this kind of a document.

Should a specific situation not be covered by this Code of Ethics nor by any other more detailed corporate procedure, the Recipient shall advise his/her supervisor or contact person at Fater S.p.A., in order to do “the right thing”.

This Code of Ethics is officially adopted and published by Fater S.p.A. explicitly declaring that:

- In some cases, the principles and directives included in this Code of Ethics, are more restrictive than legal provisions and practices in force in the industry.
- The content of the Code of Ethics cannot be considered or applied as a binding interpretation or definition of the law or the uses of the industry.
- The same content shall not replace working guides and procedures of the department, where they are not contrasting with the Code.
- The Code of Ethics is not intended to set any right in favour of the Recipients.
- Any illegal action by an Employee, a Attorney of Fater S.p.A. or a Third Party, goes beyond their professional responsibility and cannot be considered in any way as actions by Fater S.p.A. or on behalf of Fater S.p.A.