



CODE OF ETHICS

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FOREWORD

The historical tradition behind the name Mastrotto dates back to the middle of the last century and has grown over the years becoming, in 1998, the RINO MASTROTTO GROUP, a prestigious international trademark present in countries as far apart as Italy and Brazil, Spain and Australia.

At the basis of this corporate model lie several evident factors such as a constant commitment towards reliability and entrepreneurial skill, research, stylistic innovation, environmental policy and managerial and financial competence.

These are just some of the characteristics that have enabled our group to assert itself on a worldwide level in the leather tanning sector.

With the management of its production divisions and its subsidiaries that are organised in a network, the RINO MASTROTTO GROUP handles the complete tanning cycle, from the buying of carefully selected raw materials, to the production of a wide and specialised range of products that satisfy all the demands of the market.

From furnishing to footwear, from clothing to car upholstery, the RINO MASTROTTO GROUP is synonymous with leather.

One of the main aims of the RINO MASTROTTO GROUP is to continue the values and work of the Company's founder, which today represent the heritage not only of the family, but of all the people who work for the Company.

As a result, the RINO MASTROTTO GROUP believes that it is important to summarise in a Code of Ethics a series of ethical principles and rules of conduct to which its business must aspire, in the aim of spreading a solid reputation for ethics and integrity and a corporate culture that is sensitive to the laws in force in the areas in which it works.

The RINO MASTROTTO GROUP has decided to comply with the provisions of Legislative Decree n. 231 of 8th June 2001 ("Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality, in accordance with article 11 of law n. 300 of 29th September 2000" – hereinafter also referred to as the "Decree"), which introduced into the Italian legal system an administrative liability regime of the company for a series of specified offences committed by persons who cover representative, administrative or managerial roles within the company or by people subject to the management or supervision of the same.

Therefore, for both its internal relations and those with third parties the Company adopts a set of rules of conduct with the objective of divulging a solid integrity and ethics and great respect for the law to all levels of the company. This is done on the assumption that a clear statement of the fundamental values that inspire the Company to attain its business objectives is of key importance for the correct undertaking of its business and provides a valid support for the organisation, management and control Model adopted pursuant to and in accordance with the Decree.

Having stated the above, this document (hereinafter referred to as the “Code of Ethics”) has been approved by the administrative body of the Company, which undertakes to guarantee the maximum circulation of the same, on the basis that compliance with the document represents a mandatory condition for the proper functioning of the Company, to safeguard its reliability and reputation and for increased customer satisfaction, all factors which contribute together towards the success and the current and future development of the Company itself.

CHAPTER I – GENERAL REGULATIONS

I. SCOPE AND RECIPIENTS

All the actions, operations, relationships and negotiations undertaken in managing the various business activities of the RINO MASTROTTO GROUP are based on the ethical principles and rules of conduct stated in this Code of Ethics.

This Code of Ethics is binding on all those who hold powers of representation, administration or management within the company or actually carry out the management and control, all the employees, collaborators (including by way of a mere example, consultants, suppliers, agents, representatives, intermediaries, etc.) and whoever, for various reasons, has business relations with the Company (hereinafter referred to as “Recipients”).

The above-mentioned persons to whom the Code of Ethics applies, must, therefore, be aware of the regulations stated in the Code of Ethics; the RINO MASTROTTO GROUP employees are also required to contribute actively towards its observance.

For this purpose, the Company undertakes to ensure the maximum divulgence of this Code of Ethics, even by using suitable cognitive and educational tools, and to create an awareness of its contents.

2. EMPLOYEES’ OBLIGATIONS

Employees observe the Code of Ethics during the performance of their relative duties.

In particular, it is mandatory for the employees to:

- inform the Supervisory Body (email odv@rinomastrottogroup.com) of any news concerning presumed violations of this Code of Ethics that may occur within the context of the Company;
- offer maximum assistance to verify the possible and/or presumed violations of this Code of Ethics;
- inform third parties with whom business relations exist about the regulations of the Code of Ethics.

Collaboration, loyalty and reciprocal respect form the basis of the relationship amongst the employees at all levels and the third parties with whom they have contact as a result of the work activities carried out.

CHAPTER II – ETHICAL PRINCIPLES

The RINO MASTROTTO GROUP shares, accepts and complies with the following ethical principles:

- legality;
- equality and impartiality;
- transparency, fairness and reliability;
- professionalism;
- confidentiality;
- value of human resources;
- health and safety;
- protection of the environment;
- protection of the competition.

3. LEGALITY

The conduct that must be observed by the Recipients of the Code of Ethics while performing the activities undertaken in favour of or in the interest of the Company are based on strict compliance with the laws and the regulations in force in the various contexts in which the Company works.

4. EQUALITY AND IMPARTIALITY

The RINO MASTROTTO GROUP protects and promotes respect for human dignity which must not be discriminated against on the grounds of age, sex, sexual orientation, personal and social conditions, race, language, nationality, political opinions, trade union affiliation or religious beliefs. Therefore, discriminatory conduct is not tolerated.

In managing the various business activities and all the relevant decisions, the persons to whom this Code of Ethics applies must work with impartiality in the best interests of the Company, taking decisions with professional rigour and objectivity according to objective and neutral evaluation criteria.

5. TRANSPARENCY, FAIRNESS AND RELIABILITY

The actions, operations, negotiations and, more in general, the conduct of the persons to whom this Code of Ethics applies, must be based on the utmost transparency, fairness and reliability.

In managing the business activities, the Recipients are obliged to render information transparent, truthful, complete and accurate.

All the actions and operations must be duly authorised and properly recorded as well as verifiable, legitimate, congruous and appropriately documented in order to permit a verification of the relative decision, authorisation and implementation process at all times.

6. PROFESSIONALISM

The Company safeguards professionalism as an essential value for its growth and its success on national and international markets. Therefore, the performance of the company activities is based on criteria of professionalism, commitment and diligence that are fitting to the nature of the tasks and the responsibilities entrusted to each person.

7. CONFIDENTIALITY

The RINO MASTROTTO GROUP recognises that confidentiality is an essential rule for all conduct. The Company, therefore, guarantees the confidentiality of all the information, in the strictest observance of the laws in force regarding the protection of personal data.

Consequently, the persons to whom this document applies must refrain from using confidential information concerning the Company or third parties, of which they should become aware as a result of their work activity, for personal purposes or for reasons that are not in any case linked to the performance of the duties entrusted to them.

No employee or collaborator may draw direct or indirect, personal or financial advantage from use of the confidential information. Any notification of the information to third parties must only be given by authorised persons and, in any case, in compliance with the company regulations. In communicating the information to third parties, as permitted for office or professional reasons, the confidential nature of the information must be expressly declared and the third party must be requested to respect the confidentiality restraints.

In the case of access to information of an electronic type protected by passwords, the latter may only be known to the assignees who are obliged not to divulge them but to safeguard them.

8. VALUE OF HUMAN RESOURCES

Human resources represent a vital and precious asset for the existence and future development of the RINO MASTROTTO GROUP.

In order to appreciate fully the capacities and skills of each person, criteria of merit are adopted and equal opportunities are guaranteed to everyone. The human resources management aims to enhance and increase the capacities of each person, one way being through training and updating activities.

Working conditions are guaranteed to help staff carry out their duties in a climate of collaboration, respect and serenity.

To respect the individual person fully, the Company opposes child labour, abstaining from any form of child exploitation in all the contexts in which it works.

9. HEALTH AND SAFETY

In view of its core business, the RINO MASTROTTO GROUP undertakes to provide and maintain safe and healthy working environments in compliance with the accident prevention laws in force.

The Company promotes the dissemination of a culture of safety and awareness of the risks connected with the work activities performed, requiring everyone, at all levels, to adopt a responsible behaviour and one that is respectful of the safety system adopted and the company procedures that form a part of it. The employees, collaborators and all other persons, who for any reason enter the Company buildings, are required to contribute personally towards maintaining the safety and quality of the work environment in which they operate.

The RINO MASTROTTO GROUP works in respect of the following principles:

- to set up safe work procedures, in order to protect the health of its employees and the communities surrounding its premises;
- to guarantee training and information of the risks to which all those who work in favour of the Company are exposed, ensuring that they are provided with the personal protective equipment and means considered to be necessary with regard to the risk profile identified;
- to monitor the efficiency of the system supervising the safety risks, in order to pursue objectives for the continuous improvement of this delicate sector.

10. PROTECTION OF THE ENVIRONMENT

The RINO MASTROTTO GROUP promotes production policies that adapt the need for economic development and value creation that stem from its business activities, to the need to respect and safeguard the environment.

The Company believes that safeguarding the environment and the sustainable development of the territory in which it works are of primary importance in consideration of the rights of the community and of future generations.

As far as the operational management and the business initiatives are concerned, the company is committed to taking into account the fundamental requirements of the environment and reducing to a minimum the negative impact that its corporate activities have on the environment.

For this purpose, the Company pays particular attention to the following aspects in full respect of the regulations in force concerning the environment:

- the promotion of activities and processes that are as compatible as possible with the environment, by using highly advanced criteria and technologies concerning the safeguarding of the environment, energy efficiency and the sustainable use of resources;
- assessment of the environmental impact of all the company's activities and processes;

- collaboration with stakeholders, in-house personnel (e.g. employees) and external bodies (e.g. Institutions), to optimise the management of environmental problems;
- pursuit of standards safeguarding the environment by means of the implementation of suitable management and monitoring systems;
- a commitment towards reducing the emissions and controlling the main pollutants in the atmosphere;
- handling of the waste products in compliance with the regulations in force, including the authorisations, registrations or notifications required by the Public Administration, striving hard to achieve process traceability and the control of the production line;
- monitoring the efficiency of the measurements taken relating to the proper disposal of the industrial waste water, in particular with regard to discharges containing hazardous substances, in full respect of the provisions of the regulations in force;
- adoption of all the measures necessary to reinforce the protection of human health and to safeguard the atmosphere from the harmful effects of chemical substances.

Furthermore, the RINO MASTROTTO GROUP has an environment management system certified according to the standards UNI EN ISO 14001:2004.

11. PROTECTION OF THE COMPETITION

Being aware that a healthy and fair system of competition contributes towards a better development of the company's mission, the RINO MASTROTTO GROUP observes the regulations in force concerning competition in the contexts in which it works and it refrains from initiating and/or encouraging behaviour that may include forms of unfair competition.

12. PROTECTION OF INDUSTRIAL AND INTELLECTUAL PROPERTY

To adhere to the principle regarding compliance with the law, the Company guarantees the observance of domestic, community and international regulations introduced for the protection of industrial and intellectual property.

The Recipients promote the correct use, for any purpose and in whatever form, of the trademarks, labels and all the intellectual and creative works, in order to protect the property and moral rights of the author.

On this matter, any behaviour that aims, in general, to copy, alter, duplicate, reproduce or divulge works of others in any form and without any right to do so, is forbidden.

CHAPTER III – RULES OF CONDUCT

The RINO MASTROTTO GROUP recognises the importance of an efficient and effective in-house control system as a condition and essential requirement in order for the Company's activities to be implemented coherently and in compliance with the principles of this Code of Ethics.

For this purpose, the Company guarantees the setting up of the best organisational and environmental preconditions, so that the culture of control is promoted and spread to all levels of the company, making the employees aware of the importance of the in-house control system, of their compliance with the regulations in force and of the company procedures when undertaking their work activities.

A practical precondition for the setting up of an efficient in-house control system is to stipulate and assign the duties and responsibilities of those who act on behalf of the Company in a fitting, complete and coherent way, with the consequent adoption of a coherent allocation of operational powers.

13. CORRECTNESS AND TRANSPARENCY OF THE CORPORATE INFORMATION

Every action, operation or transaction must be properly recorded in the company's accounts system according to the criteria stated by the law and the reference accounting standards; furthermore, they must be duly authorised, verifiable, legitimate, coherent and congruent.

In order for the accounts to comply with the requirements of truthfulness, completeness and transparency of the data recorded, for each operation adequate and complete documentation supporting the activity carried out must be stored in the file to allow:

- an accurate accounts record;
- the immediate identification of the characteristics and motivations underlying the operation itself;
- an easy, formal and chronological reconstruction of the operation;
- a verification of the decision, authorisation and implementation process as well as the identification of the various levels of responsibility.

Each employee takes steps, within their area of responsibility, so that any fact relating to the management of the Company is recorded in a correct and timely manner in the accounts.

Each record entered in the accounts must reflect the results of the supporting documents exactly. Therefore, it will be the responsibility of each employee, assigned to such a task, to ensure that the supporting documentation is easily available and in order according to logical criteria.

14. PREVENTION OF CONFLICTS OF INTEREST

In performing their work activities, the employees and collaborators stated in Chapter I must avoid situations in which the persons involved in transactions are, or may even only appear to be, in a conflict of interest.

By conflict of interest reference is made to cases in which the person, to whom this Code of Ethics applies, pursues an interest other than that of the Company's mission or performs activities that may, in any case, interfere with his ability to make decisions in the sole interest of the same, or in which he benefits personally from the Company's business opportunities.

The Recipients of the Code of Ethics refrain from undertaking activities that are contrary to the Company's interests, knowing that the pursuit of such an interest cannot, in any case, legitimise conduct that is contrary to the Principles of the same.

In the event of a conflict of interest, those persons to whom this Code of Ethics applies will inform the competent company body without delay and will conform to the decisions taken by the same on the matter.

15. PREVENTION OF MONEY LAUNDERING

Those persons to whom this Code of Ethics applies, in the context of the different relationships established with the Company, must not in any way or under any circumstance be involved in matters connected with the laundering of money deriving from criminal activities or receive goods or other income of illicit origin.

Furthermore, the same are also required to check any information available about the business counterparts, suppliers, partners, collaborators and consultants in advance, in order to ascertain their relevant respectability before establishing business relations with them.

The RINO MASTROTTO GROUP undertakes to respect all the applicable anti-money laundering regulations and legislation, both national and international.

16. USE OF COMPUTER SYSTEMS AND PROTECTION OF COPYRIGHT

Every employee is responsible for the safety of the computer systems used and is subject to the provisions of the regulations in force, to the conditions of the license agreements and the company's in-house procedures.

The Company uses the allocated computer resources to perform its business activities in full respect of the regulations concerning the use and management of computer systems and of the established company procedures.

Furthermore, no Recipient is permitted to install software without a licence on the Company's computers or to use and/or copy documents and material covered by copyright (audiovisual, electronic, paper or photographic recordings or reproductions) without the express authorisation of the licence holder with the exception of those cases in which such activities fall within the usual performance of the duties assigned to the person.

Finally, contents protected by copyright regulations may not be illegally downloaded or sent to third parties.

Subject to the provisions of the civil and penal laws, any use made of the company's goods and resources for purposes other than those concerning the employment relationship or for sending offensive messages or messages that could damage the Company's image, is, in general, considered to represent an improper use of said goods and resources.

Moreover, each employee is required to make every effort to avoid committing a possible crime when using the computer equipment. In particular, to exclude illicit behaviour that goes against the regulations in force concerning information technology, the employees and other persons working on behalf of the Company are forbidden, even using third parties' systems, from:

- accessing illicitly a computer or data transmission system protected by safety measures, or stay on the same against the express or tacit wishes of whoever has the right to exclude the person;
- keeping and divulging codes illicitly for accessing the computer or data transmission systems protected by safety measures, obtaining, reproducing, divulging or providing codes, key words or other means of access or supplying others with the instructions necessary for the aforementioned purpose;
- distributing equipment, devices or programs for the purpose of damaging a computer or data transmission system or for interrupting the operation of the same whether totally or in part;
- intercepting illicitly information concerning a computer or data transmission system (or the information passing between several systems), or prevent or interrupt such communication illegally, or install equipment designed to intercept it;
- damaging information, data or computer programs of others, including those used by the State or by other public authorities or, in any case, of public use by introducing or sending data, information or programs;
- committing online fraud by violating the legal obligations to issue a certificate qualified by an electronic signature.

CHAPTER IV – RELATIONS WITH THIRD PARTIES

17. RELATIONS WITH PUBLIC ADMINISTRATIONS AND INSTITUTIONS

The relations with national, Community or international public Administrations and Institutions must be based on the utmost respect for the provisions of the laws in force, as well as comply with the principles of honesty, fairness and transparency.

The relations with national, Community or international public Administrations and Institutions, as well as with public officers or those entrusted with a public service, in other words bodies, representatives, agents, members, employees, consultants, persons carrying out public functions, must not wrongly influence the decisions of the Administrations or Institutions themselves, especially those of the officers who deal or decide on their behalf.

During a negotiation or business relations, even commercial ones, with public Administrations or Institutions, the Company will refrain from the following conduct:

- offering or granting work opportunities and/or commercial advantages to public officers involved in the negotiation or in the business relations, or to their relative families;
- offering gifts or other goods, unless it concerns an act of commercial courtesy of low value;
- providing untrue information or omitting to communicate relevant facts whenever requested.

Any gift of low value or act of courtesy or hospitality that is such not to compromise the integrity or reputation of one of the two parties, must in any case be authorised in advance.

The acceptance and dispatch of advertising material and free samples are also subject to authorisation in advance from the Director of the Department.

Furthermore, no representative and/or employee of the Company may pay or offer, whether directly or through third parties, sums of money or other goods of any kind or value to public officers, whether they be public servants, government representatives or civil servants to compensate them or repay them for a professional service, or to attain or delay the performance of a service contrary to the duties of their office.

18. RELATIONS WITH CUSTOMERS

The RINO MASTROTTO GROUP bases the company's work and the running of the business on professionalism and quality, understood not only as a merit of the product, but also as attention to Customers' particular needs, as a willingness and timeliness in answering commercial requirements and as a prompt investigation into claims, in order to satisfy the clientele fully.

In their relations with Customers, the Recipients of the Code of Ethics must adopt a fair and clear attitude, preferring, whenever possible, written communication in order to avoid mistakes and misunderstandings regarding the content of the business relations.

19. RELATIONS WITH SUPPLIERS

In the same way, the RINO MASTROTTO GROUP handles its relations with suppliers on the basis of loyalty, fairness, professionalism, encouraging an on-going collaboration and solid and long-lasting business relations.

The choice of suppliers and the establishment of buying conditions are performed on the basis of objective and impartial assessments, founded on quality, price and the guarantees provided.

In its relations with suppliers, the Company observes the following principles:

- the purchase is submitted to dedicated offices;
- forms of “reciprocity” are not permitted with suppliers: the goods/services that the Company purchases are chosen and bought on the sole basis of their value in terms of price and quality;
- any negotiation with a supplier, whether current or potential, must only concern the goods and services that are the object of the negotiation with the supplier;
- the staff in charge of buying goods and services must not be subject to any form of pressure by the suppliers for the donation of material, products and/or sums of money in favour of charitable organisations/solidarity or similar causes.

In their relations with suppliers, the Recipients of this document must adopt a transparent and clear attitude, preferring, whenever possible, written communication in order to avoid mistakes and misunderstandings regarding the content of the business relations.

Any commitments made and the handling of business relations with the suppliers, whether current or potential, must be carried out in compliance with the regulations contained in this Code of Ethics regarding the prevention of a conflict of interest.

20. RELATIONS WITH POLITICAL, TRADE UNION AND SOCIAL ORGANISATIONS

The RINO MASTROTTO GROUP contributes towards the well-being and the development of the community in which it works. For this purpose, in carrying out its business, the company adapts to respect the local and national community, encouraging a dialogue with the local communities, with the public institutions representing them and with the trade union associations and other types of organisations.

The Company bases its relations with the representatives of political institutions on the utmost respect for the regulations in force and on the company directives.

Furthermore, the company does not promote or maintain relations with any national or international organisation, association or movement that pursues, whether directly or indirectly, unlawful aims or which are, in any case, forbidden by the law.

CHAPTER V – FINAL REGULATIONS

21. VIOLATIONS AND CONSEQUENT SANCTIONS

If any employees or collaborators should learn of a presumed violation of this Code of Ethics, they must inform the Supervisory Body that has been set up expressly in compliance with the Decree, without delay.

This body will proceed to ascertain the truth of such presumed violations, calling, if necessary, the person who has reported the case and/or the perpetrator. The sanctions laid down by the specific company body, will be proportionate to the gravity of the violation committed and, in any case, in compliance with the regulations in force concerning employment relationships.

Furthermore, information concerning the official acts resulting from the breach of the Decree regulations (e.g. measures taken by criminal police, requests for legal assistance presented by managers and/or employees in the event of the commencement of a prosecution) must necessarily be sent to the Supervisory Body.

Compliance with this Code of Ethics is to be considered an essential part of the contractual obligations of the Company employees pursuant to and in accordance with Art. 2104 of the Civil Code and according to the regulations applying to them concerning employment relationships. Consequently, any breach of the regulations stated in the Code of Ethics may constitute a non-fulfilment of the obligations of the employment relationship and/or a disciplinary offence according to the applicable regulations (in particular, according to the procedures provided for by Art. 7 of the Workers' Statute and the applicable collective agreements, with all legal consequences even with regard to the maintaining of the employment relationship and could also lead to a request for compensation for the damages deriving from the same).

Respect for the principles as stated in this Code of Ethics forms a part of the contractual obligations undertaken by the collaborators, consultants and other persons having business relations with the Company.

Consequently, any breach of the regulations stated in the same may constitute a non-fulfilment of the contractual obligations undertaken, with all legal consequences with regard to the termination of the contractual relationship and to compensation for the damages derived, in accordance with the provisions of the applicable regulations.

It is understood that any breaches committed by persons holding positions as representatives, administrators or managers within the Company, will lead to the competent company body imposing the sanctions considered to be the most fitting in relation to the nature and gravity of the breach committed and to the role of the perpetrator of the breach, in compliance with the applicable regulations.

22. ADOPTION OF THE CODE OF ETHICS AND RELATIVE MODIFICATIONS

This Code of Ethics has been approved by the Board of Directors as of 12/10/2012.

Any modifications and/or updating will be approved by the same company body and promptly notified to those concerned.