

Code of Ethics

Organisation, Management and Control system
pursuant to Italian Legislative Decree no.
231/2001

Approved by the Board of Directors resolution of 19 February 2018

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INTRODUCTION

In pursuing its activities, Diplomatic MS Spa complies with the laws and regulations under the legal systems of all the countries where it operates in compliance with the principles of loyalty, fairness, responsibility, freedom, dignity of the human person and respect of diversities, repudiating any kind of discrimination based on sex, races, languages, personal and social conditions, religious and political beliefs.

To this end Diplomatic MS Spa promotes a working environment inspired by respect, fairness and cooperation; furthermore on the basis of the experience acquired in the fields of competence, the working environment allows to involve and increase the sense of responsibility of employees and co-operators, taking into account the specific targets to be achieved and the methods applied for their achievement.

In the current context of growing attention towards *corporate governance*, drawing up this Code of Ethics has been fundamental to clearly define the values and responsibilities acknowledged, accepted, shared and adopted by Diplomatic MS.

This Code of Ethics is also a basic component of the organization, management and control Model adopted by Diplomatic MS Spa in compliance with Italian Legislative Decree no. 231/01 (hereinafter referred to as "Organization Model 231"), in the belief that ethics in business management is the basis of success in corporate business.

In this perspective, the principles and values expressed in this Code of Ethics are the basis of the Organization Model 231 as well as a useful reference to understand their real application in corporate processes.

Diplomatic MS Spa ensures disclosure and information on the provisions of this Code of Ethics and their application to the Recipients it refers to, in such a way as to ensure that all individuals working – at any title - for the Company carry out their jobs and/or duties in strict and constant observance of the principles and values contained in this Code.

CHAPTER I – GENERAL PROVISIONS

Art. 1 – Scope and Subjects

1. The provisions of this Code of Ethics express the basic principles and the values that inspire Diplomatic MS Spa and are an example of the general obligations of diligence, fairness and loyalty featuring work performance and behaviour in the workplace.

2. The principles and provisions of this Code of Ethics are binding for the Administrative body (“BoD”), for the Control Bodies (Statutory Board of Auditors), for all the individuals having an employment contract with Diplomatic MS Spa (“Employees”) and for all the people working for/with the Company, whatever contract might link them to the Company – even a temporary one – (including but not limited to “Co-operators”, “Suppliers”, “Customers”, etc.).

All the individuals subject to this Code of Ethics of Diplomatic MS Spa are hereinafter jointly referred to as “Recipients” and will be supplied with a copy of this Code of Ethics.

CHAPTER II – PRINCIPLES AND VALUES

Art. 2 – General principles and values

1. This Code of Ethics provides a set of principles and values whose observance is extremely important for the regular functioning, the management reliability and the image of Diplomatic MS Spa. All the Company activities are performed within a framework of fair competition, in compliance with any and all applicable laws and regulations and the ethical principles commonly recognized in the conduct of business, such as honesty, loyalty, fairness, transparency and good faith. Transactions, conducts and relationships, both inside and outside Diplomatic MS Spa, must be oriented towards such principles.

2. Diplomatic MS Spa rejects and deplores any illegal or improper conduct used to achieve one’s own economic targets and it is organized so as to prevent the violation by the Recipients of any law provisions, principles and values expressed in this Code of Ethics and in the company procedures, by monitoring their observance and proper implementation.

3. Diplomatic MS Spa recognizes the crucial importance of human resources in the belief that an essential factor for the company success and development is the professional contribution given by the people working for it. The management of the Company human resources is based on the respect for the personality and professional skills of each individual in a context of loyalty, trust and rejection of all forms of discrimination and exploitation.

Art. 3 - Communication, distribution and implementation

1. Diplomatic MS Spa will inform all Recipients about the provisions contained in this Code of Ethics, thus encouraging them to share and respect the principles and values expressed with the highest diligence and to promote their application and strict observance.

2. In particular, also through the Supervisory and Control Body pursuant to Italian Legislative Decree no. 231/01 (hereinafter referred to as "Supervisory and Control Body") Diplomatic MS Spa will:

- distribute this Code of Ethics to the Recipients via suitable information activities;
- construe and explain the provisions contained in this Code of Ethics;
- verify the actual observance of this Code of Ethics, promoting the adoption of measures resulting from possible violations;
- update and implement the provisions of this Code of Ethics according to the different needs arising from time to time.

This Code of Ethics is contained in the section "Model 231/2001" of the corporate website.

3. In case the Recipients become aware of breaches of this Code of Ethics and/or of circumstances relevant for the purposes of compliance with the principles contained herein, they can address not only to the competent corporate departments but also to the Supervisory and Control Body in accordance with the procedures provided for by the Organization Model 231.

As for the received reports, confidentiality and highest protection of the identity of the reporting person will be guaranteed, unless otherwise provided for by the law.

Art. 4 - Responsibility

Each Recipient performs his job and/or his task being professional, diligent, efficient and correct, using at best tools and time and taking the responsibilities required by the commitments undertaken.

Art. 5 - Fairness

1. All actions and operations performed and the conduct of each of the Recipients in the performance of his job and/or duties and functions in the context of the relationship with Diplomatic MS Spa are inspired by transparency, honesty and mutual respect as well as legitimacy both in form and substance in compliance with current regulations and internal procedures, also in order to protect corporate assets and image.

2. In particular, it is not allowed to:

- pursue personal or third-party interests to the detriment of company interests;
- pursue company interests by breaching applicable laws and regulations;
- illegally exploit, in the personal or third-party interests, the company name and reputation, the acquired information and the business opportunities learnt while performing his own job and/or duty and function;
- use goods and equipment, made available to him to perform his job and/or duty and function, for unpermitted uses or for purposes other than those specifically intended.

3. No Recipient can press, make or accept recommendations or preferences for himself or for others, which could damage Diplomatic MS Spa and/or which could bring undue advantages to himself, the Company or third parties.

4. In case a Recipient receives gifts, assets or other benefits with an economic value, other than those having a modest value, he must immediately inform his division Manager; in accordance with the Managing Director of Diplomatic MS Spa, the division Manager will return the gifts to the donor, directly or through the Company.

Art. 6 – Conflict of interests

1. In its relationships with the Recipients, Diplomatic MS Spa requires the utmost observance of the laws and regulations governing the conflict of interest.

2. While performing their job and/or duties and functions, the Recipients must pursue the objectives and the general interests of Diplomatic MS Spa and they must refrain from activities, conducts and actions incompatible with the obligations deriving from their relationship with the Company.

3. Taking into account the circumstances, the Recipients must inform without delay their immediate superior or directly the Managing Director or the Supervisory and Control Body about any situations or activities in which they have, directly or on behalf of third parties, interests (even only potentially) in conflict with those of Diplomatic MS Spa. The Recipients will accept the relevant decisions taken by the Company.

Art. 7 - Confidentiality

1. In the performance of its activities, Diplomatic MS Spa collects a significant amount of personal data and reserved information which it undertakes to process in compliance with the applicable privacy norms and with the best procedures for confidentiality protection.

2. Furthermore, each Recipient guarantees the utmost confidentiality of data, news and information making part of the company assets or related to Diplomatic MS Spa and acquired and/or processed while performing his job and/or duty and function; this condition must be fulfilled not only during the employment relationship with the Company, but also after its possible termination as provided for by Italian Legislative Decree no. 196/2003, Personal Data Protection Code.

Art. 8 – Equality, Non-discrimination, Equal opportunities

1. Diplomatic MS Spa refuses and excludes any kind of worker exploitation and people discrimination on the base of sex, age, race, language, nationality, religion, personal and social conditions, sexual orientation, political and trade union opinions in all decisions influencing the relationships with its interlocutors.

2. Diplomatic MS Spa is therefore against any conduct or attitude that is discriminatory or offensive to the person, his/her beliefs or preferences.

3. Diplomatic MS Spa is committed to facilitating the promotion of equal opportunities with reference to working conditions and opportunities and professional development and growth by fully complying with the applicable laws and the values inspiring this Code of Ethics.

Art. 9 – Person integrity and protection

1. Diplomatic MS Spa rejects child labour and any kind of abusive recruitment and irregular employment of workers and it is actively engaged in order to ensure that the working conditions inside the company respect the moral integrity and the personal dignity of the individual.

2. Furthermore, it is committed to maintaining a safe and clean working environment where any conduct implying personal harassment of any kind is prohibited; Diplomatic MS Spa asks all Recipients to contribute to this objective also through interpersonal relationships and individual behaviour respectful of other people's feelings.

3. Within the relationships with the Recipients, Diplomatic MS Spa prohibits to work and/or to carry out assigned duties and functions in a mental and physical state impaired by the use of alcoholic substances, narcotics or psychotropic substances.

4. Highest importance is given to the protection of minors and to the repression of whatever form of exploitation towards minors themselves even using electronic and software instruments.

Art. 10 - Intellectual / industrial property

1. Recipients whose activities, duties and functions provide, in any way, the processing of data, information or documents concerning intellectual and/or industrial property rights of Diplomatic MS Spa have the duty to keep them with the utmost diligence, accuracy and confidentiality.

2. Intellectual and/or industrial property rights on products, works and/or knowledge developed in the workplace belong to Diplomatic MS Spa which holds the right to exploit such knowledge, according to the most suitable methods and times, in compliance with the laws as applicable from time to time.

3. Similarly, Diplomatic MS Spa respects and protects third-party intellectual and/or industrial property rights, ensuring that only original products and works are regularly used in the business, regularly licensed by the legitimate owners and used in accordance with the authorizations received.

Art. 11 – Use of corporate assets and materials (including electronic mail, etc.)

1. Each Employee must safeguard the corporate assets of Diplomatic MS Spa. In particular each Employee is responsible for the protection of the corporate assets and materials entrusted to him/her and must operate diligently for their safeguard (including, but not limited to: theft, loss, damage, illicit or inappropriate use) by behaving responsibly and in line with the company regulations adopted to control their use.

2. Particular care and attention is required while using the information and data processing systems (for example hardware supports, internet and intranet networks, corporate mail, remote accesses etc.) that all Employees must use for reasons strictly connected to their professional activity by respecting the applicable laws and the instructions contained in the specific corporate procedures.

3. The above provisions are also applicable to other Recipient categories in case they are allowed to use assets, materials or resources belonging to Diplomatic MS Spa, to the extent that such Recipients can be actually involved in the safeguard of the corporate assets.

Art. 12 – Accounting control and transparency

1. In compliance with their roles functions and duties, the Recipients will ensure that the management actions of Diplomatic MS Spa are correctly and truthfully represented in the company accounting documents, as per the following principles:

- fairest management conduct;
- completeness and transparency of information;
- legal and substantial legitimacy;
- clarity and truthfulness of all accounting documents in compliance with the laws and the corporate procedures as applicable from time to time.

2. Diplomatic MS Spa requires that the transactions carried out during all its activities are correctly and promptly recorded in the accounting system according to the criteria established by the law and on the basis of the applicable accounting standards, so that each transaction is authorized, consistent, legitimate, verifiable and supported by suitable and complete documentation certifying the activity performed.

3. The documents certifying the accounting activity must allow the rapid reconstruction of each transaction, the detection of possible mistakes and the degree of responsibility within each operational process.

4. In compliance with their roles, functions and duties, the Recipients must control the correctness and truthfulness of the accounting records and inform the person in charge about possible mistakes, omissions and/or falsifications.

Art. 13 – Anti-money laundering

Diplomatic MS Spa complies with all domestic and international norms and regulations about anti-money laundering and requires the Recipients to avoid performing transactions which could contribute to transfer, replace or use unlawful profits, or which could hinder, in any way, the identification of money, goods or other profits of criminal nature.

CHAPTER III – BUSINESS CONDUCT

Art. 14 – Business Relationships

1. In business relationships Diplomatic MS Spa complies with the principles of legality, honesty, fairness, transparency and efficiency.
2. Recipients acting in the name or on behalf of Diplomatic MS Spa, in the business relationships of interest of this latter and in relationships with the Public Administration must behave in an ethical way respectful of the laws and regulations in force and must act in compliance with the principles of fairness and diligence, regardless of the competitiveness of the market or the importance of the deal.
3. In relationships with Suppliers, Customers and third parties in general, no offers of money, gifts or benefits of any kind are allowed in order to obtain undue real or apparent advantages of any kind.
4. Each Recipient does not accept, or perform, for himself or for others, pressures, recommendations or warnings that could harm Diplomatic MS Spa or bring undue advantages for himself, for the Company or for third parties.
5. Each Recipient also rejects and does not make promises and / or undue offers of money, gifts or other benefits, unless the latter are of modest value and not related to requests of any kind.

If a Recipient receives an offer or a request for money, gifts or benefits of any kind from a third party, except for commercial or low value gifts, he must immediately inform his immediate superior or, if necessary, the person whom he is due, as appropriate, to report to or the Supervisory and Control Bodies, if established, so that the appropriate measures are adopted.

Art. 15 – Protection of competition

Diplomatic MS Spa acknowledges that a correct, free and fair competition is a decisive factor for the market growth and the constant improvement of the company; as a consequence it rejects any behaviour aimed at facilitating the conclusion of businesses for its own benefit in violation of the applicable law.

Art. 16 – Relationships with Suppliers

1. The Supplier selection, the determination of the purchase of goods and/or services and of the relevant purchase terms must occur in compliance with the principles defined in this Code of Ethics and are based on the evaluation of objective parameters such as quality, price of the good or service, service warranty, promptness and efficiency. In the choice of the Suppliers particular attention is given to the control of their reliability and fairness as for compliance with the laws as applicable from time to time and with the relevant regulations governing their specific activity.

2. Purchase processes are regulated by suitable corporate rules which ensure the regular detection of the Suppliers and the traceability of the supplying channels, also with the aim to ensure the quality and the legitimacy of the purchased goods and services. In accordance with legal principles, all purchase processes are based on the search for the maximum competitive advantage for Diplomatic MS Spa as well as on impartiality and equal opportunities for all Suppliers having the suitable requirements.

3. If a Supplier carries out its activity for Diplomatic MS Spa by adopting a conduct not in line with the principles contained in this Code of Ethics and in the Organization Model 231, suitable measures will be taken such as – in the worst cases – the termination of the existing contracts up to the exclusion of the Supplier from further business relationships.

Art. 17 – Relationships with Customers

1. Diplomatic MS Spa carries out its activity by offering quality products and services under competitive conditions and complying with the norms of the sector and those protecting competition.

2. Diplomatic MS Spa recognizes that the appreciation of its Customers is of primary importance for its business success. As a consequence, the objective is to ensure a prompt, qualified and competent reply to the requests of its Customers by basing its behaviour on trade fairness and contract transparency as well as courtesy and cooperation.

Art. 18 – Relationships with Institutions

1. Diplomatic MS Spa has a collaborative and transparent relationship with the national, Community and international institutions (hereinafter referred to as “Institutions”) with the aim to facilitate dialogue on specific issues of particular interest.

2. The relationships of Diplomatic MS Spa with Institutions as well as public officials or persons in charge of public service, or bodies, representatives, agents, exponents, members, employees, consultants, persons in charge of public functions or services, public institutions, public administrations, public bodies, including economic ones, local, national or international public bodies or companies (hereinafter referred to as “Public Officers”) are maintained by the Managing Director and by each Employee, regardless of his job, duty or function, or by each Co-operator or other Recipient, in compliance with current legislation, the principles defined in this Code of Ethics and the applicable corporate procedures, based on the general criteria of fairness, transparency and loyalty.

3. Illegal payments in the relationships with the Institutions and the Public Officers are therefore forbidden. Practices of corruption, favoritism, collusive behaviour, direct and / or indirect solicitations also through promises of personal advantages towards any subject belonging to the Public Administration are also prohibited.

CHAPTER IV – HEALTH, SAFETY AND ENVIRONMENT

Art. 19 – Health and safety at the work place

Diplomatic MS Spa recognizes the importance and the centrality of health and safety at the work place which are considered as worker basic rights while performing all corporate working activities; the company is therefore committed to pursuing the constant improvement of the corporate *performance* in terms of prevention and protection at the work place.

Art. 20 – Environmental protection

1. Diplomatic MS Spa considers the environmental protection as a key factor of the company activities and it is inspired by the principles of environmental and territorial respect and safeguard, being such principles understood as highly important both for their intrinsic value and for their effect on the health of the humans and of the living species. To this end Diplomatic MS Spa respects the enforced regulation and is engaged in ensuring that its company activities, in any different department, complies with the highest standards of compatibility and environmental safety.
2. Particular attention is given to the collection and disposal of the waste resulting from the company activities; when possible such waste is treated according to the principle of selective separation and recycling in compliance with current legislation and best operating practices.

CHAPTER V – SANCTIONING SYSTEM

Art. 21 – Violations and penalties

1. The violation of the provisions of this Code of Ethics as well as of the principles contained in the Organization Model 231 (and in the related corporate procedures) implies the application of the sanctioning measures indicated, inter alia, in the Organization Model 231 against the Recipients responsible for such violations, in order to protect corporate interests and consistently with the provisions of the framework current legislation.

Such violations, in fact, damage the trusting relationship based on transparency, honesty, integrity and loyalty established with Diplomatic MS Spa.

2. In particular, with reference to Employees (including those with the status of manager), the violation of the aforementioned rules represents non-fulfilment of the obligations arising from the employment relationship and can, therefore, lead to disciplinary proceedings against the parties concerned, with any consequence of law, also with regard to the preservation of the employment relationship, regardless of the establishment of any criminal or administrative procedure - in cases where the behaviour may represent an offence - and the outcome of the resulting judgment, as this Code of Ethics, the Organization Model 231 and corporate procedures referring thereto are precise rules of conduct binding on Recipients.

The sanctions applicable to Employees are those provided for by the company disciplinary system and/or by the sanctioning system envisaged by the special provisions contained, in particular, in the Italian Collective Labour Agreements and the Company Supplementary Agreements from time to time applicable to Diplomatic MS Spa , in compliance with the procedures established by Art. 7 of Italian Workers' Statute (Italian Law 300/1970) and any special and/or sector regulations.

3. As regards Co-operators, Suppliers and/or other subjects having business relationships with Diplomatic MS Spa, whatever the relationship, including temporary ones, the non-observance of the provisions of this Code of Ethics and of the principles contained in the Organization Model 231 (and related procedures) represents non-fulfilment of the contractual obligations undertaken, with all legal consequences, and may therefore entail the application of the remedies contractually provided for (such as penalties) or - in the most serious cases - the termination of the contract and/or the appointment and the compensation for any damage suffered by the Company.

4. Diplomatic MS Spa carefully evaluates the violations of this Code of Ethics, the Organization Model 231 and of the related company procedures put in place by top managers, as they represent the top management of the company and project its image to the outside world.

Therefore, in the event of violation of the principles and provisions of this Code of Ethics, the Organization Model 231 and the corporate procedures referred thereto by the Directors and/or Statutory Auditors, i.e. in the case of adoption of measures conflicting with these provisions while exercising their powers, the competent corporate bodies will take protection measures deemed from time to time as appropriate, within the limits provided for by current legislation, including the revocation of the delegation and/or mandate granted, without prejudice to the any other right provided for by Italian Civil Code (liability and/or compensation actions).

In the event that the violations are carried out by a top manager being also an employee, disciplinary actions that can be exercised on the basis of the employment relationship with Diplomatic MS Spa are also applicable.

With reference to the members of the Supervisory and Control Body, the provisions of paragraphs 2 and 3 hereof apply, respectively, depending on whether the relationship established is of employment or co-operation

CHAPTER VI – FINAL PROVISIONS

Art. 22 – Approval and amendments

1. This Code of Ethics has been approved by the Board of Directors of Diplomatic MS Spa.
2. Any future updates of this Code of Ethics due to regulatory adjustments, changes in civil sensitivity or other, must be approved by the Managing director and made promptly available to all Recipients.