



ETHICAL CODE

INTRODUCTION

This ethical code forms an integral and substantial part of the organisation and control model drawn up pursuant to Leg. Dec. 231/01 (defined as the Model). In that context, it takes on particular importance since it describes and lists the ethical principles and the rules of behaviour that must characterise any action taken, directly or indirectly, by the Company in the performance of its business activities. Through this ethical code, the Company wishes to publicly set out its ethical responsibility in the management of its affairs, with the aim of ensuring all its stakeholders (or anyone that comes into contact with IPERCERAMICA S.p.A.) are fully informed in advance of the ethical and moral standards that the Company is committed to and with regards to which compliance applies not only to those forming part of the organisation but also those outside of it. A further objective that the Company sets itself with the adoption of this ethical code is to establish, beyond any reasonable doubt, what are the interpretative criteria of the Model in general, so that any uncertainty can be resolved in a way most compatible to the spirit and letter of this document.

RECIPIENTS

The provisions contained in this ethical code (hereinafter also referred to, for short, as the Code) apply to, and are binding on, all the persons and entities operating in the name and/or on account of IPERCERAMICA S.p.A. (hereinafter also referred to as the Recipients), including, merely by way of example and not in exhaustive terms: **a)** all company bodies and the single members of them; **b)** persons assigned with the management of the Company; **c)** employees, also those holding executive positions; **d)** all other persons or entities that, while external to the Company, operate by law or by fact in the name and/or on account of it; **e)** the Subsidiary.

The Code is made known to the Recipients by means of delivery of a paper version and through publication on the Company's Internet Site. Compliance with the rules and provisions contained in it constitute an integral and essential part of the contractual obligations arising from employment contracts for employees, and from contractual regulations for freelance workers. Breach of the aforementioned regulations constitutes non-compliance with the obligations arising from employment or freelance work relations, with all consequent legal and contractual effects.

Specifically, compliance with this Code is an integral part of the contractual obligations of employees of the Company also in accordance with and by the effect of the provisions of art. 2104 of the Italian Civil Code; its violation may constitute breach of contract and/or a disciplinary offense and, in certain cases, may lead to compensation for any damages suffered by IPERCERAMICA S.p.A. (clearly in strict compliance with every applicable legal provision, besides with any applicable collective agreements).

With regards to third parties, whoever has dealings with the Company is obliged to ensure that they are aware of the existence and the contents of this Code; each of the above persons or entities is obliged to require compliance with the Code, always reporting to the Supervisory Body any refusal or incapacity to take note of the contents of the Code or any refusal to adopt the principles set out below. In such, albeit unlikely, cases, all appropriate internal measures will obviously be taken to ensure compliance with this Code.

FUNDAMENTAL PRINCIPLES

The fundamental principles that IPERCERAMICA S.p.A. declares to wish to adopt, and to which all Recipients must necessarily comply with in the exercise of the duties assigned to them, are set out below.

COMPLIANCE WITH LEGAL PROVISIONS

Although it may appear as superfluous, it is hereby formally declared that IPERCERAMICA S.p.A., in the performance of its business activities, intends to comply at all times with all legal provisions in every field (civil, penal, administrative, tax, etc.), scrupulously and diligently complying with the contents and regulations also in the event that it does not agree with the logic or mandatory scope. In these cases, the Company shall be required to claim against the alleged illegitimacy of the regulations in force in the form and with the instruments that the law offers for the modification or repeal of the provisions in question. In this event, it is herewith confirmed, moreover, that, in the meantime and, therefore, pending judgement or proceedings aimed at bringing a change to the provisions in question, said provisions shall, nevertheless, always be scrupulously complied with.

IPERCERAMICA S.p.A. declares, furthermore, to wish to comply, as, in fact, it already complies, with the laws and regulations in force in all the countries in which it operates and/or will operate, requiring the Recipients also absolute compliance with said provisions and the adoption of behaviour that does not compromise the moral and professional integrity of the Company.

IPERCERAMICA S.p.A., finally, declares to adopt and apply, as far as possible, the principle of good faith and, therefore, undertakes to consider as obligatory at all times conduct that, provided it does not imply a significant sacrifice for the Company, safeguards the interest of its counterparty and that of third parties in general.

PROHIBITION OF DISCRIMINATION

IPERCERAMICA S.p.A. recognises that inherent in the so-called “natural law” is the principle of equality, already embedded in the fundamental values of the Italian Constitution. As a result, IPERCERAMICA S.p.A. undertakes and obliges strict compliance of the principle of equality both in internal relations and in relations with third parties, and declares that it will never apply discriminations based on gender, age, racial and ethnic origin, nationality, sexual orientation, political and trade union opinions, religious beliefs, state of health, as well as regarding any other characteristic of an individual.

OBLIGATION OF RESPECT

IPERCERAMICA S.p.A. naturally adopts the principles of probity, moral integrity, respect and transparency. In particular, it is herewith established that not only every form of conduct that violates said principle, but also any conduct that is likely to generate in third parties the suspicion that it may conflict with the above-referred principles according to the rules of behaviour and the accepted norms of the society and of the contexts in which the Recipients operate, must be considered as prohibited. In this way, different standards of conduct shall be required, by way of example, depending on whether dealings are with an Italian or foreign counterpart, or with the public administration of a secular or religious State. In short, the Recipients of this Code must ensure not only that their behaviour complies with the above principles of integrity and fairness, but also that it is perceived as such by their interlocutor, taking account of their cultural background, traditions and beliefs, as well as every other element that may effectively affect the judgement of the person in question.

HONESTY AND CORRECTNESS IN NEGOTIATIONS

Without prejudice to every rule and every prohibition imposed by the applicable laws in force, the principle of maximum correctness in any legal negotiation with any third party is herewith asserted. In particular, all those forms of conduct that, although formally permitted, are effectively an abuse of contractual and/or economic strength must herewith be considered as expressly forbidden. In addition, all recipients are expressly prohibited from drawing advantage from mere oversights or material errors which the counterparty may make in good faith during a negotiation, errors or oversights that must be immediately reported in a loyal and serene spirit of cooperation between the parties.

Each Recipient must always ensure that there are no current or potential situations of conflict between the interests of the Company and those of the third parties and, therefore, any possibility of negotiations that could, also only potentially, cause undue advantage for the Company (to the detriment of any third party) must be considered as forbidden.

Whoever, among the Recipients, has a personal interest in conflict with that of the Company, or of the third party with which they are negotiating on account of the Company, shall be obliged to immediately inform the Supervisory Body and to refrain from commencing or pursuing the negotiation.

PROHIBITION OF GIFTS

Consistent with the undertaking not only to comply with the above-listed principles of correctness, but also to adopt conduct that does not generate even the suspicion that said principles have been (or could be) violated, the giving or receiving of presents and gifts of an inappropriate value to persons or entities that – directly or indirectly – are (or could be) in contact with the Company in the performance of its business activities must be considered as contrary to the letter of this Code and, therefore, prohibited.

Gifts made or received during festivities and anniversaries that do not exceed in each festivity or anniversary the value of €uro 100.00 (€uro one hundred/00) and which, cumulatively, do not exceed in each festivity or anniversary the value of €uro 1.000,00 (€uro one thousand/00) are deemed as compatible with the above prohibition and, therefore, permitted.

PRODUCT QUALITY AND CUSTOMER ASSISTANCE

IPERCERAMICA S.p.A. undertakes to ensure that the quality of its products not only always conforms to the standards and uses of the sector, but also meets the legitimate expectations of the customer (as justified by the promotional activity carried out). To this end, upon each delivery made to one of the “Iperceramica” points of sale, a scrupulous check of what has been made available to the customer is carried out, in joint consultation with the latter, in order to check the goods to be sold from both a qualitative and quantitative point of view.

In the unfortunate hypothesis of statistically inevitable hidden flaws and/or defects, the commitment is to manage claims with courtesy, correctness and professionalism, ensuring that a clear and full response is given to the customer in the technical times necessary for verifying the presence of the flaw complained about and its cause.

Every question relating to the non-conformity of products sold according to contractual specifications, as well as any question relating to flaws in the article sold and every warranty claim regarding proper working order, if found to be well-founded, shall be settled through the entering into of a settlement agreement in written form in accordance with and by the effects of arts. 1965 and following of the Italian Civil Code. The settlement shall be submitted in draft form to the customer (or to their legal representative, if appointed), providing full explanations as appropriate. Maximum and unconditioned willingness to negotiate the terms and conditions of the agreement to settle, as far as possible, any dispute of the type referred to above, is herewith confirmed.

CONFIDENTIALITY

The Company ensures and guarantees the confidentiality of information in its possession in the management of all its business activities. All employees, co-workers and consultants of the Company are obliged not to use information acquired in the performance of their duties for purposes not connected with the strict exercise of said duties. The Company undertakes, moreover, to guarantee that personal information acquired is suitably protected according to the provisions of the regulations in force on the protection of personal data, avoiding improper or unauthorised uses that could harm the dignity, image and confidentiality of any third party that has dealings with the Company.

IPERCERAMICA S.p.A. provides information regarding the type of data collected, the use that it intends to make of them and the ways with which data subjects can contact the Company for information. Personal information is collected and stored only if strictly necessary for identified, explicit and legitimate purposes and is stored for the time strictly necessary for the use for which it has been acquired. The acquisition and processing, as well as the storage of information and personal data of Recipients on the part of the Company occurs in compliance with specific procedures aimed at preventing non-authorised persons and/or entities from gaining knowledge of them.

PROMOTIONAL ACTIVITIES

Communication of promotional messages through any means must be characterised by the criteria of truth, transparency and lawfulness. In no event may promotional messages regarding the business activities carried out by IPERCERAMICA S.p.A. be misleading for the public to which they are directed and, rather, must show in a clear and unmistakable way (for a person of average intelligence) that it is communication with promotional aims.

The prices of every offer must be clearly expressed and be easily accessible and verifiable by the public of end users. The consistency of said prices, verifiable through the comparison of different means of communication used (press, radio, television, Internet etc.) will be ensured in all events.

In the event of sales and particular promotions, current or potential customers must be put in a position to be able to verify the entity of the discount or of the promotion by means of a true and correct comparison between the price currently offered and that applied previously.

DEALINGS WITH EMPLOYEES

Without prejudice to the application of every legal provision regarding employment relations according to the above-described parameters, the Company herewith declares the centrality of work as the core and cornerstone of its business activities and undertakes to promote conditions that permit its employees to perform the duties assigned to each one with dignity, in a working environment that also allows for personal and skills development. IPERCERAMICA S.p.A. rewards according to merit without indulging in the pandering of the individual or the mortification of other employees and criticises shortcomings in a humane and not oppressive way.

The Employer (as defined in accordance with Leg. Dec. 81/08) must ensure that there are no situations of discomfort in the working environment, verifying that the duties assigned to each are appropriate for the talent, education, age, psycho-physical characteristics of each. IPERCERAMICA S.p.A. repudiates any preference or discrimination in the workplace and is committed to promoting the best possible conditions so that these phenomena never occur.

Working hours and workloads must always be established having regard to all pertinent factors and, therefore, also – by way of example and not in exhaustive terms – the age and state of health of workers, each person's abilities and living conditions; any behaviour that effectively results directly or indirectly in any worker being placed in excessive or oppressive work conditions is expressly forbidden, regardless of whether this situation immediately affects the health of said worker.

Every employee of the Company is obliged to perform the duties assigned to them with diligence, prudence and expertise, using the tools and time at their disposal in a lawful and correct manner. Each worker is required to take direct responsibility for their actions and omissions, also in the unfortunate hypothesis of accidents and incidents, without in any way obstructing the ascertainment of the facts (for their own benefit and/or that of the Company).

IPERCERAMICA S.p.A.'s employees:

- Have the obligation to ensure the integrity and honourability of their profession, adopting necessary and/or appropriate behaviour to this end;
- Must encourage compliance, on the part of their colleagues, of legal regulations and, in particular, those relating to occupational safety;
- Must know and comply with the Model, monitoring – as far as possible – compliance with the provisions of this Code and reporting to the Supervisory Body any suspicion of irregularity;
- Must cooperate between themselves to ensure the effectiveness of controls and checks as described in the Model, each according to their abilities and personal inclination;
- Are required to always have an honourable and respectful attitude at all times during working hours, so as to transmit to third parties the certainty that the Company as a whole is honourable and respectful;
- Have the obligation to abstain from using threatening, inappropriate and/or offensive expressions in the performance of their work activities which may be detrimental to the dignity, honourability and professionalism of others.

DEALINGS WITH SUPPLIERS

The choice of suppliers is based on objective, lawful and transparent appraisals. In the procurement phase, the Company always makes sure not to abuse its position and, in all events, ensures that no harmful measure is taken that affects free competition in the reference market.

The price of every article and service acquired in the performance of business activities must always be fair, justifiable and verifiable; with the exception of acquisitions of modest value and which are not strategic, negotiations shall always occur in writing, so as to guarantee – also after the event – effective control of compliance with the provisions of the Model in general and with this Code in particular.

The Company ensures that every strategic decision is justified exclusively by lawful business choices, in compliance with the rights of the counterparty and the values of dignity and free business initiative which underpin our legal system. In negotiating with foreign parties, moreover, IPERCERAMICA S.p.A. will guarantee compliance with mandatory standards laid down to safeguard a weaker contractual party against the laws of a foreign State in which the counterparty is based (or has its registered office), ensuring that standards are effectively complied with, also in the event that the law applicable to a particular contract rules otherwise.

The Company refrains from the negotiation (and therefore also the entering into) of any contract with counterparties that belong to criminal organisations, whether Italian or foreign.

The principles of this Code, made known to the public by means of publicity, must be referred to in every contract entered into by the Company. In the event that the contractual counterparty has their own organisational model (in accordance with Leg. Dec. 231/01) and/or their own ethical code, the provisions of every contract with that entity must comply with the provisions of the ethical code of the counterparty (provided these are consistent with those of this Code, and which may be even stricter in imposing standards or correctness, transparency, honesty, etc.).

DEALINGS WITH SUBSIDIARIES

The Company, and on its behalf, the Board of Directors, shall ensure that all the principles underpinning its organisation and control model and this present Code are complied with also by subsidiaries that have their registered office in Italy and abroad. Specifically, with reference to foreign subsidiaries, it is guaranteed that the provisions of greater benefit for counterparties (if provided for as mandatory by the local applicable laws) are always applied in relations with employees and with third parties in general. *Mutatis mutandis*, all the provisions, in principle and in detail, of the Code must be applied also in the organisation and in the management of the subsidiaries, without prejudice to stricter regulations (or, in any case, more favourable for the counterparty) prescribed by the laws of the place where said subsidiaries have their registered office and/or where their business activities are usually performed.

DEALINGS WITH POLITICAL AND TRADE UNION ORGANISATIONS

In the exercise of its business activities, the Company undertakes to interact with trade union and political entities and other forms of associations with integrity, correctness and transparency. Those delegated by the Company to deal with these entities are obviously required to refrain from any behaviour that could generate even the mere suspicion of corruptive and/or inducing and/or coercive phenomena.

DEALINGS WITH THE PUBLIC ADMINISTRATION

The Company's relations with persons or entities representing the Public Administration, Public Offices or with public service officers are characterised by principles of correctness, integrity and maximum transparency, even before compliance with applicable legal and regulatory provisions. Said relations are, moreover, held exclusively through approved and authorised representatives for the purpose, within the limits of powers attributed to them with formal power of attorney or within the limits of their role and responsibility.

In the context of dealings with the Public Administration, Public Officials or with public service officers, the Recipients of this Code may not offer, even through a third party, money, gifts or benefits of any nature to the public officer involved, their family members or to persons in any way connected to them. It is not permitted to seek or establish favourable dealings and/or influence.

All forms of contact with the above-indicated persons and entities which, although formally lawful, hide evasive purposes regarding the prohibition here set out, are obviously considered as forbidden. These include, by way of example and not in exhaustive terms, sponsorships, appointments and consultancy aimed exclusively at obtaining unlawful advantages on the part of the Public Administration, Public Offices and/or public service officers.

DEALINGS WITH PERSONS CALLED TO MAKE DECLARATIONS TO THE JUDICIAL AUTHORITIES

The Company undertakes to refrain, and imposes all recipients to refrain, from any form of direct or indirect coercion regarding anyone called to make declarations before the Judicial Authorities, usable in criminal proceedings.

REPORTING

All Recipients are obliged to comply with the Model (and, therefore, also with the Code) and to report any behaviour not conforming to the principles and rules contained in it. In compliance with art. 6, para. 2-*bis*, Leg. Dec. 231/2001 and what is provided for in this Model, any report may be forwarded to the Supervisory Body *pro tempore* in office by means of electronic mail or to the physical address, to the addresses communicated upon their appointment.

To promote the reporting of potentially unlawful behaviour, guaranteeing those who do report the certainty of not suffering any sort of retaliation, said reports are made in anonymous form.

It is obviously forbidden for anyone to assume retaliatory or discriminatory attitudes towards those who, in the fulfilment of their duties, have reported anything to the Supervisory Body.

Reports will be handled in the manner set forth in par. "General Principles: Whistleblowing" of this Model.

DISCIPLINARY MEASURES

Compliance with the Ethical Code is an integral part of the contractual obligations of employees, co-workers and, more generally, all Recipients. Any violations give rise to applicable measures on the part of the Company, formulated in relation to the level of gravity and within the limits of the legal framework in force. With regards to employees, violation may determine disciplinary and sanctioning measures as far as the termination of the employment contract and, for the directors and statutory auditors of the Company, the suspension or revocation of office. Violation on the part of external persons may determine the termination of the contract, office or, in general, the relationship in force with the Company, as well as – where appropriate conditions apply – compensation for damage.

CLOSING PROVISIONS

As for the Model in general, of which this Code is an integral and substantial component, this document is intended to be constantly updated and revised. It must reflect, therefore, at all times, not only the rules of behaviour that IPERCERAMICA S.p.A. lays down in the exercise of its activities, but must also reflect the general consensus of the economic community in which the Company operates.

The initiative of anyone, among the Recipients, that considers that this Code requires integration and/or updating, and to this end proposes said integration and/or modification to the BoD and/or to the Supervisory Body, is not only permitted, but is encouraged. It should, therefore, be understood that any revision of the text of the Code must be previously approved by the management body of IPERCERAMICA S.p.A. through a resolution with a certain date.

In order to promote a more attentive and deeper examination of this Code, for the purpose also of fully understanding its provisions, not only will the Code in its current format be publicised on the Internet (through the website), but also in all its previous versions, so as to permit anyone, at any time, to easily verify the evolution that this document has undergone and to appreciate the efforts made by the Company to make the document consistent with the changing economic and social landscape.