



Fabbri 1905 S.p.A.

CODE OF ETHICS

APPROVED BY THE BOARD OF DIRECTORS
ON 20th JUNE 2012

SUMMARY

Introduction	4
1. Field of application and recipients	5
2. Ethical values and principles of conduct	6
2.1. Legality and compliance with effective legislation	6
2.2. Honesty, integrity and transparency	6
2.3. Social equity and value of the person	6
2.4. Diligence and professionalism	7
2.5. Confidentiality	7
2.6. Conflicts of interest	7
2.7. Contributions and sponsorships	8
2.8. Giving/accepting gifts or other benefits	8
2.9. Customer/consumer's care and product quality	9
2.10. Attention in commercial transactions	9
2.11. Fight against organized crime	10
2.12. Industrial and intellectual property protection	10
2.13. Environmental preservation	11
2.14. Appropriate administrative and accounting management	11
2.15. Diligence in the use of company resources	12
2.16. IT and cyber security	13
3. Criteria of conduct in the management of internal and external relations and in business management	14
3.1 Relations with the Public Administration, regulatory and supervisory authorities and bodies	14
3.1.1 Entitlement to commitments	14
3.1.2 Ethical rules of conduct	14
3.2 Human resources management policy	15
3.2.1 Recruitment and hirings of employees	15
3.2.2 Employment relationship	16
3.2.3 Human resources management	16
3.2.4 Health and safety at work	16
3.3 Relations with customers and consumers	17
3.4 Relations with suppliers	18
3.5 Relations with consultants, business agents and other collaborators	20
3.6 Relations with other parties	20

3.6.1 Shareholders, Board of Auditors, external auditors	20
3.6.2 Trade associations, trade unions and political parties	20
3.6.3 Competitors	21
4. Disclosure and update of the Code of Ethics	22
5. Supervision on the implementation of the Code of Ethics	23
6. Consequences for violations of the Code of Ethics	24
6.1 Penalties against employees	24
6.2 Penalties against managers	25
6.3 Penalties against members of the Board of Directors, Board of Auditors and Supervisory Board	25
6.4 Penalties against collaborators, consultants, suppliers, agents, contractors, customers and other collaborators	26

Introduction

Fabbri's business

Fabbri 1905 S.p.A. is one of the leading Italian companies in the food production market. It operates on four main markets:

- consumer products, with black cherry, syrups, toppings and fruit with liqueur;
- products aimed at the ho.re.ca. chain with professional fruit syrups for cocktails, soft drinks and water-ices;
- semi-finished products for pastry and ice-cream, with a wide range of decorations and fillings and preparations specific to fine pastry;
- semi-finished products for food factories.

The company, with 250 employees, produces about 1200 items, with 17 product lines and 23 packaging lines, distributed in over 70 countries around the world.

Mission

A company is great for the quality of its products, its processes, its people. Fabbri 1905 is the expression of this quality and the extraordinary passion put into the field by the people working there in order to pursue this mission, through the constant innovation of its products and the technologies used. **The excellence of Made in Italy established all over the world.** Quality is the core of the company, as well as Amerena Fabbri represents its icon. Inspired by the Italian tradition, Fabbri products bring forward new trends in consumer taste and give ice cream makers, pastry chefs, restaurateurs, bar managers and public activity of any kind, the best solutions to give shape to their own creativity. This care also means a **qualified and certified training activity** in Italy and in the world, dedicated to ice cream makers, pastry chefs and bartenders and to all those people wishing to take up a career in the field.

Purpose of the document

In order to define clearly and transparently the values and principles the Company is based on, as well as the criteria of conduct regulating its activities, Fabbri 1905 S.p.A. (hereafter also referred to as Fabbri or the Company) adopted this Code of Ethics, whose observance should be deemed as mandatory to all those who cooperate in any way to Company activities'.

Positive image and reputation are intangible resources essential to the very functioning of the Company and, therefore, they are strongly connected with the commitments and ethical purposes as expressed in this Code.

Field of Application and Recipients

The principles and rules of conduct stated by the Code of Ethics (hereafter also referred to as the Code) are recognized by Fabbri as a positive ethical value; moreover, Fabbri deems the application of what is hereof expressed as a fundamental and disciplinary document to guarantee transparency and legality of all the activities in any way related to the Company.

The principles, rules of conduct and behaviors hereof set out are binding for the Corporate Bodies and their members (directors and statutory auditors), for the employees (people with an employment relationship, including managers), for collaborators (as freelancers, interns and temporary/administered workers), for consultants, suppliers, customers, business agents/procurers, contractors and other collaborators, or people acting in the name and/or on behalf of the Company by proxy or other contractual relationship, all of them mentioned below as the "Recipients".

The Recipients of the rules of the Code should be compliant with its requirements and should adapt their behaviors and actions to the principles mentioned in the Code. To achieve this purpose, the Code is disclosed as stated in paragraph 4.

Ethical Values and Principles of Conduct

This Code of Ethics aspires to clarify Fabbri's fundamental ethical values, as following described:

2.1 Legality and compliance with effective legislation

The Company deems legality as an essential value in business activities. Therefore, the Company is committed to complying with effective laws, the Code of Ethics and generally recognized practices. The Company requires the Recipients of this Code to be compliant with the above-mentioned requirements, and to behave without affecting the moral and professional reliability of the Company.

In particular, the Company and the Recipients act in their activities in full compliance with effective national and international laws and regulations, including fiscal and tax laws, industrial and intellectual property protection and copyright laws, competition and antitrust laws and regulations.

2.2 Honesty, integrity and transparency

All activities carried out on behalf of Fabbri are based on the respect of the principles of honesty, integrity and transparency and are conducted with loyalty and responsibility, honesty and good faith.

The Company is committed to ensuring honesty, completeness, accuracy, uniformity and promptness in the management and communication of company information, thus avoiding deceptive behaviors from which undue benefits could arise. Commercial and advertising information should be comprehensive, truthful and accurate and should be compliant with the effective characteristics of the products/services provided and should be duly verified and authorized.

2.3 Social equity and value of the person

The Company respects the fundamental rights of the people in any way it interacts with, protecting their physical and moral integrity and ensuring equal opportunities. The Company rejects all forms of discrimination based on age, gender, sexual orientation, state of health, race, nationality, cultural background, political opinions and religious beliefs.

In particular, the Company guarantees its employees and collaborators safe and healthy working environments and working conditions, respecting the individual dignity.

2.4 Diligence and professionalism

The members of the Corporate Bodies, employees and collaborators commit to diligently conduct their jobs and tasks, operating in the interest of the Company and aiming at effectiveness and efficiency, fully aware that ethics represents a primary interest for Fabbri and that, therefore, behaviors in contrast with effective regulations or the Code of Ethics will not be tolerated, even if they appear in favor of the Company.

2.5 Confidentiality

The company commits to treat as confidential any information obtained through its activities and refrains from seeking confidential data, except in case of express and conscious authorization and in compliance with applicable legal rules.

The company even undertakes to protect the data collected, stored and processed as part of the management activities, in full compliance with legal provisions on Privacy.

Any investigation about ideas, preferences, personal tastes and, generally, privacy of employees and collaborators, as well as all other collaborators of the Company, is prohibited. However, the processing of personal data must be preceded by the expressed authorization of its owner, on the base of a specific notice and in application of the applicable legislation.

Furthermore, especially employees, collaborators, consultants and other collaborators of the Company cannot use any information obtained by conducting their jobs and tasks, unless if necessary due to purposes strongly connected with the ongoing activity.

2.6 Conflicts of interest

The Company Bodies, Employees and Collaborators must ensure that any business decision is made in the interest of the Company, in line with the principles of correct corporate and entrepreneurial management of the Company. They must, therefore, avoid all situations and activities in which a conflict of interests may arise between personal or domestic economic activities and the tasks performed that could interfere with or affect the ability to make impartial or objective decisions.

Hence, the Recipients avoid any abuse of their position with the aim of achieving undue benefits for themselves or others.

Any conflict situation, even if only potential, must be promptly and in detail communicated to the Company and the subject in conflict must refrain from the completion or participation in any act that may damage the Company or compromise its image.

2.7 Contributions and sponsorships

The Company could support requests for contributions and sponsorships related to activities concerning social issues, the environment, sports, entertainment or arts, as long as they are requested by non-profit organizations and associations with regular statutes and constituent acts.

Anyway, in joining these initiatives, the Company pays particular attention to possible situations of personal or corporate conflict of interests.

Sponsorship activities can only be carried out upon specific agreements and subject to the check of the good reputation of the beneficiary and of the promoted event/initiative.

2.8 Giving/accepting gifts or other benefits

No direct or indirect offer or handout of money, gifts or benefits of any kind to managers, officials or employees of clients, suppliers or consultants is permitted for the purpose of influencing them in their duties and/or taking undue advantages, or that may even be interpreted as exceeding normal business or courtesy practices, or otherwise intended to acquire favourable treatment in the conduct of any activity that may be linked to the Company.

Acts of commercial courtesy are permitted only if their value is reasonable or if it does not compromise the integrity or reputation of one of the parties, or if they could be clearly intended, by an impartial observer, as aimed at acquiring undue and/or improper advantages.

The acceptance of gifts or other benefits is prohibited to Directors and Employees, for themselves or for other purposes, even on public holidays, with the exception of gifts of reasonable value and/or attributable to normal correct courtesy relations, provided that they do not compromise the integrity or reputation of one of the parties and provided that they could not be interpreted, by an impartial observer, as aimed at acquiring undue and/or improper advantages.

The Employee who, regardless of his will, receives gifts or other utilities of no reasonable value and in any case in contrast with the above established provisions, must immediately provide the Company with a written communication and the Company may establish their return; if this is not possible, the gift must be put at Company's disposal.

The Recipients are not allowed to give gifts or sponsorships whose amount and/or beneficiary do not correspond to what is formally defined and authorized by the powers of attorney in effect at the time and on the basis of the indications contained in company procedures.

Concerning any relationship between the Company and the Public Administration, Authorities and Supervisory Boards, please refer to the information set out in paragraph 3.1.

2.9 Customer/consumer's care and product quality

Fabbri deems the customer as the heart of its business activities. In order to satisfy customers' requests as well as to create value for them, the Company is committed to ensuring professionalism, punctuality, transparency and information clarity, availability, courtesy, collaboration and high-quality standards.

Fabbri deems essential to guarantee the highest levels of food safety and quality and hygiene of its products through a rigorous system of control of raw materials and the different processing phases. Thus, the Company has a self-control plan and a HACCP system and structured its business processes in accordance with ISO 9001:2000 quality system standards.

Furthermore, Fabbri pays the utmost attention to the specific food needs of its consumers, proposing a diversified offer respecting different cultures and any particular food needs. The Company sure enough developed certified kosher products and food intolerance products, as celiac disease.

2.10 Attention in commercial transactions

A particular care is required in commercial transactions when receiving and spending coins, banknotes, securities and values in general, in order to avoid the danger of counterfeit or altered values being placed on the market.

In addition, the Recipients must never carry out or be involved in activities that involve the laundering (i.e. acceptance or processing) of income from criminal activities in any form or manner.

Employees and Collaborators must check in advance the available information (including financial information) about their business counterparts, consultants and suppliers, in order to ascertain their moral integrity, their ethics and respectability and the legitimacy of their business before establishing business relationships.

The Company must always comply with the laws on fight against organized crime and anti-money laundering, both national and international, in any competent jurisdiction.

The Directors, Employees and Collaborators of the Company are required to strictly observe the laws, policies and company procedures in any economic transaction in which they are involved, even if intra-group transactions, ensuring the full tracing of incoming and outgoing financial flows and full compliance with anti-money laundering laws.

2.11 Fight against organized crime

The Company strongly condemns and fights any form of organized crime, including mafia-type crime, with all the instruments at its disposal.

Particular attention should be paid by the Recipients if they are operating in areas, both in Italy and abroad, historically affected by organized crime phenomena, in order to prevent the risk of criminal infiltration.

Specific efforts will be made by the Company in verifying the due requirements of good reputation and reliability of its commercial counterparts (as suppliers, consultants, contractors, customers).

No commercial relationship will be undertaken or continued with commercial partners whose membership or contiguity with criminal organizations is even suspected, or who are suspected of facilitating the activity of criminal organizations in any form, even on an occasional course.

2.12 Industrial and intellectual property protection

The Company acts in full respect of industrial and intellectual property rights of third parties, as well as in respect of laws, regulations and conventions, including those at a European and/or international level, protecting those rights.

In this regard, all Recipients must respect the legitimate industrial and intellectual property rights of third parties and refrain from unauthorized use of the aforementioned rights, knowing that the violation of these rights may lead to negative consequences for the Company.

In particular, during their activities, the Recipients must refrain from any conduct that may constitute usurpation of industrial property titles, alteration or counterfeiting of trademarks and/or distinctive signs of industrial products, patents, industrial designs, both domestic and foreign, as well as refrain from importing, marketing or otherwise using or circulating industrial products with counterfeit or altered or mendacious trademarks and/or distinctive signs or made by usurping industrial property titles.

All Recipients must even refrain from using in any form unlawfully and/or improperly, in the own interest of companies or third parties, intellectual works (or parts thereof) protected by copyright laws and in particular by Italian Copyright Law (L. n. 633/1941).

2.13 Environmental preservation

The Company is aware of the direct and indirect effects of its activities on the community's economic and social development and general well-being, as well as it is aware of the importance of being socially accepted by the communities in which it operates.

Fabbri therefore plans its activities by seeking a balance between economic initiatives and essential environmental needs, not only in compliance with current legislation, but also in consideration of the rights of future generations.

Fabbri is committed to make projects, processes, methodologies and raw materials that take into consideration the development of scientific research and the best experience in the environmental field, in order to respect the territorial balance, prevent pollution, protect the environment and the landscape.

The Company adopts an effective environmental management system that complies with all national and international regulations in the field.

The following are the fundamental principles on which it is based:

- do not pollute;
- constantly optimize the use of resources;
- develop products and services that are increasingly eco-friendly.

Business activities are carried out by minimizing any type of emission, basing on the available technologies.

In order to avoid environmental damages, it carries out specific controls aimed at minimizing pollutant emissions.

In addition, waste generated by company activities are regularly stored and disposed of through the use, if necessary, of specialized and qualified professionals.

The Company wishes to preserve the public's confidence in the integrity of its activities through open reports and comparisons with other actors, in order to improve knowledge of environmental issues related to its activities.

2.14 Appropriate administrative and accounting management

The Company complies with laws and, in particular, applicable regulations relating to the preparation of financial statements and any type of mandatory administrative accounting documentation.

Accounting records must be kept accurately, completely and promptly, in compliance with company accounting procedures, to achieve a true representation of the asset/financial context and management activity.

All shares and transactions of the Company must therefore be correctly registered, authorized, verifiable, legitimate, consistent and appropriate.

The accounting is based on generally accepted accounting principles and it systematically detects any event produced by the Company management.

For this purpose, all company functions are required to ensure maximum collaboration so that the management issues are correctly and promptly represented in company's accounts, ensuring completeness and clarity of the information provided, as well as correctness and accuracy in processing data.

For each kind of accounting data collection that reflects a corporate transaction, adequate supporting documentation should be stored. This documentation should allow an identification of the reason behind the operation, that generated the detection and its authorisation. The supporting documentation should be easily available and archived according to appropriate criteria that allow an easy consultation by both internal and external bodies authorized to control.

Especially auditors, both internal and external, must have free access to the data, documents and information necessary for the performance of their activities. It is expressly forbidden to prevent or hinder any control or audit activity legally attributed to shareholders, other corporate bodies or appointed auditing company.

2.15 Diligence in the use of company resources

Directors, Employees and Collaborators are required to operate with the necessary diligence to protect company resources, avoiding improper use that could cause damages or reductions in Company efficiency, or otherwise be in contrast with the interest of the company.

For the purposes of this principle, company resources mean:

- company premises, instrumental goods (e.g. passenger cars, equipment, machinery) and consumable goods owned by the Company;
- third parties' assets obtained by concession, loan, lease or use;
- IT applications and devices, required to scrupulously comply with corporate security policies, in order not to compromise their functionality, processing capacity and data integrity.

The use of company resources is not allowed for personal use and interest of any kind.

Any use of company resources in contrast with current laws and company procedures/policies is prohibited, even though such use may be in the interest of or may produce an advantage for the Company.

2.16 IT and cyber security

Directors, Employees and Collaborators must strictly adhere to Company cybersecurity procedures and policies and must use company resources – as personal laptops, mobile phones and other communication tools – in accordance with the aforementioned procedures and policies, avoiding any behavior that could compromise the functionality and protection of the company IT system.

It is especially prohibited any use of IT tools and telematic systems – including internet and e-mail – that may constitute a violation of current laws, as well as offence to freedom, integrity and dignity of people, especially minors.

It is also forbidden any use of IT tools and telematic systems that may lead to undue intrusions or damages to other people's laptops and telematic systems.

It is prohibited any kind of alteration of the functionality of a company telematic or IT system or of the data and information there contained or the intervention on programs and archives, whatever it is the purpose.

In addition, each Recipient must:

- avoid uploading on corporate systems any borrowed or unauthorized software, or extracting unauthorized copies of licensed programs for personal, corporate or third-party use, or commercialize such programs;
- refrain from illegally reproducing, distributing, showing, extracting, duplicating, commercializing software and/or the contents of a database in violation of copyright laws and especially the Italian Law No. 633/1941.

Criteria of conduct in the management of internal and external relations and in business management

3.1 Relations with the Public Administration, regulatory and supervisory authorities and bodies

3.1.1 Entitlement to commitments

The assumption of commitments and the management of any kind of relations with the Public Administration – to be intended in its broadest sense, including the public administration of foreign states, as well as all those subjects that can be thus qualified according to effective legislation and effective doctrinal and jurisprudential interpretations, thus including public officials, public service entities and private bodies as well as privates all in charge of a public service – are exclusively reserved to corporate functions responsible for these issues and to authorized personnel, in strict compliance with the effective legal and regulatory provisions.

The same requirements apply in relationships between the Company and any authority or supervisory board.

3.1.2 Ethical rules of conduct

Contacts with the Public Administration and any other authority or supervisory board should be monitored and documented in order to avoid threats to Company integrity and reputation.

All the subjects involved in relations with the Public Administration and any other authority or supervisory board are required to be as much transparent, clear and fair as possible in order to establish the most professional and collaborating relations with the Public Administration.

The following provisions applies to representatives of the Public Administration and other authorities or supervisory boards:

- Corruption practices, active or passive, or collusive behavior of any kind and in any form in relationships with such exponents are not allowed:
 - for the request and management of authorizations, permits and/or concessions for the realization of business activities,
 - in case of investigation and inspection activities,
 - during accounting activities of any kind,
 - in the conclusion of any commercial transaction;
 - in case of participation in tenders, even if in the form of ATI (companies' temporary association) or joint ventures;

- It is not allowed to offer money or utilities of any kind or to perform acts of commercial courtesy in favor of representatives of the Italian and foreign Public Administration (even in those countries where the handing out of gifts/utilities represents a widespread practice), or their relatives, unless it is about gifts/utilities of reasonable value and bestowed in compliance with company procedures and in any case with the explicit authorization of the CEOs, and as long as they cannot be interpreted in any way as a tool to influence them in the performance of their duties (either to act in a given specific way or to refuse to act in a given specific way), to receive illegitimate favors and/or to take undue advantages.

Relations with judicial authorities and judicial police bodies at all levels, must be based on maximum transparency, correctness and collaboration; in this regard, the Recipients – especially if they are involved in judicial proceedings – must refrain from adopting reticent, omissive or other behaviors that may, even indirectly and/or unintentionally, hinder the work of the justice bodies. Similarly, the Recipients must refrain from any pressure or threat, including through the use of physical violence, as well as any offer of money or other utility, in order to induce a subject not to make statements or to make false statements before a Judicial Authority.

The Company requires that the Recipients give their maximum assistance and availability to anyone who carries out inspections and controls on behalf of INPS, ASL, Ministry of Health, Ministry of Labour and Social Policies, Ministry of Economy and Finance and any other Public Administration.

It is forbidden to destroy or alter records, minutes, accounting records and any type of document, to lie or make false statements to the competent authorities.

No one should try persuading others to provide false or misleading information to the competent authorities.

3.2 Human resources management policy

3.2.1 Recruitment and hirings of employees

The evaluation of the staff to be hired is carried out on the basis of the match between the profiles of the candidates and those expected and in line with the company needs, respecting equal opportunities for all interested parties, avoiding forms of favoritism, nepotism and clientelism and in full respect of the skills and abilities of the candidates.

The requested information are closely linked to the verification of the aspects requested by the professional and psychoattitude profile, respecting the private sphere and the opinions of the candidate.

3.2.2 Employment relationship

Employees are recruited under regular employment contracts; no form of irregular work is tolerated. When the employment relationship is established, each worker receives accurate information on:

- characteristics of the function and tasks to be performed;
- regulatory and remuneration elements, as regulated by the national collective labor agreement;
- rules and procedures to be adopted in order to avoid possible health risks related to the job.

This information is given to the worker so that the acceptance of the job position is based on an effective understanding.

3.2.3 Human resources management

Fabbri avoids any form of discrimination against its employees and workers, offering equal work opportunities and career progression.

The decisions made in human resources management and in employees' development processes, as well as in hires, are based on the correspondence between expected profiles and employees' and workers' profiles (e.g. in case of promotion or transfer) and/or they are based on merit considerations (e.g. allocation of incentives basing on the achieved results).

Even the access to roles and tasks is established in light of the skills and abilities; moreover, subject to the general work efficiency, flexibility in work organization is supported when it helps the management of maternity, paternity and childcare in general.

An enlarged and documented personnel's evaluation is carried out involving supervisors, the human resources office and, as far as possible, people that came into contact with the evaluated person.

3.2.4. Health and safety at work

The Company is committed to spreading and strengthening a safety culture, developing risk awareness and knowledge and compliance with the effective legislation on prevention and protection, promoting and demanding responsible behaviors by employees and collaborators – as well as by contractors, in the related areas of competence – and working to preserve and improve working conditions, health and safety of workers, especially by preventive actions.

Company activities must take place in full compliance with effective legislation on prevention and protection, with particular reference to provisions in the Italian Legislative Decree no. 81/2008 and in the specific applicable prevention regulations; the operational management must refer to advanced criteria for environmental protection and energy efficiency, pursuing the improvement of health and safety conditions at work, even – but not only – with a view to the

reasonable prevention of serious or very serious manslaughter and personal injuries committed in violation of the rules that protect health and safety at work.

The basic principles and criteria that guide Company decisions on health and safety at work are the following:

- avoid risks;
- assess risks that cannot be avoided;
- tackle risks at their source;
- fit job tasks to man, particularly with regards to the design of workplaces and the choice of work equipment and working and production methods, especially to reduce monotonous and repetitive works and to reduce its effects on health;
- consider the level of technological development;
- replace what is dangerous with what is not dangerous or that is less dangerous;
- plan prevention, aiming at general coherence that integrates technology, working organization and conditions, social relations and the influence of factors in working environment;
- give priority to collective protection measures over personal protection measures;
- give workers appropriate instructions.

The Company is also committed to ensuring the protection of working conditions safeguarding the psycho-physical integrity of the worker and respecting his moral personality, preventing him from suffering unlawful conditioning or undue inconvenience.

3.3 Relations with customers and consumers

The satisfaction of customers' and consumers' requests and the establishment of constructive and transparent relationships are Fabbri's fundamental aims.

The Company is committed to satisfying its customers and final consumers impartially, in compliance with the agreements and the set quality standards, with high professionalism, availability, courtesy and collaboration, in order to provide them with the highest level of service.

The Company is committed to ensuring the adequate quality and safety standards of its products, periodically monitoring their perceived quality and their full compliance (in terms of origin, source, quality, quantity) with what is established in the aforementioned quality and safety standards, as well as in its contractual standards and in its commercial and advertising communications in general.

Concerning customer and consumer relations, all Directors, Employees, Representatives/ Agents and Collaborators are required to:

- develop and maintain favorable and long-lasting relations with customers, based on maximum efficiency, collaboration and courtesy;
- respect the commitments and obligations to them;

- refrain from elusive or otherwise unfair business practices (as the provision of unfair practices or clauses, etc.);
- provide clear, understandable, accurate, complete, truthful and prompt information in order to allow the customer and the final consumer make a conscious decision;
- engage and ensure that the quality and characteristics of the delivered products correspond to the information provided;
- require customers to take note of this Code of Ethics;
- operate within the effective legislation and require a prompt compliance with it.

Recipients are anyway prohibited from being involved in the marketing and promotion of products and services having characteristics (by origin, source, quality, quantity) other than those declared or agreed or, furthermore, products bearing names, marks or distinctive signs capable of misleading the final consumer about the quality, origin and source of the offered products/services.

3.4 Relations with suppliers

The choice of suppliers and the purchase of goods and services are carried out by the appropriate company functions basing on objective assessments on skills, competitiveness, quality, correctness, ethics and respectability, reputation and price.

The purchasing processes are based on targeting the highest value for the Company, giving each supplier equal opportunities; they are also based on precontractual and contractual behaviors held with the necessary and mutual loyalty, transparency and collaboration.

The Company requires its suppliers of goods and services to fully respect ethics, commercial correctness and legality, with particular reference to laws protecting industrial and intellectual property, laws protecting the consumer, the free competition and the whole market, and laws tackling money laundering and organized crime, as stated in the Code of Ethics.

Anyway, in the event that the supplier, carrying out his business for the Company, adopts conducts not in line with the general principles of this Code, Fabbri is entitled to take appropriate measures even precluding any other opportunity of collaboration.

Fabbri's supporters must guarantee their employees working conditions based on the respect of fundamental human rights, international conventions and effective laws.

In particular:

- It is strictly forbidden and considered unacceptable the use of child work. The age of production workers should not be less than the legal minimum age allowed in each country.
- It is considered totally unacceptable the mistreatment of child and nonchild labour, the use of forced labour, physical or mental abuse or corporal

punishment and these behaviors will involve the immediate interruption of any relationship between the supplier and Fabbri.

- the remuneration and benefits of production workers should comply with local regulations and laws and should be in line with the relevant international conventions.
- suppliers must ensure that all forms of production are carried out through processes that still protect the health of workers in an appropriate way, considering the production processes actually used.

Suppliers are also required to transmit the Code of Ethics to their subcontractors.

Directors, Employees and Collaborators, in maintaining relations with suppliers, are required to:

- establish efficient, clear and collaborative relations, maintaining an open and honest dialogue in line with the best commercial practices;
- obtain the collaboration of suppliers in constantly ensuring the most cost-effective correlation between quality, cost and delivery times;
- require the application of the contractually laid down conditions;
- require suppliers to comply with the principles of this Code of Ethics and to include special provisions in contracts;
- operate within the framework of current legislation and request its punctual compliance.

In particular, the conclusion of a contract with a supplier must always be based on very clear relationships, avoiding, if possible, forms of dependence. Thus, by way of example and not exhaustively:

- generally, they are avoided long-term binding projects with short-term contracts requiring continuous renewals with price review, or consultancy contracts without adequate transfer of know-how, etc.;
- it is not considered fair to induce a supplier to agree upon a contract unfavorable to him by suggesting a subsequent, more advantageous contract.

To ensure the maximum transparency and efficiency of the purchasing process, Fabbri stores all the documentation about the choices made in the purchase and supply contracts, including any official documentation relating to tenders for the periods established by effective regulations.

3.5 Relations with consultants, business agents and other collaborators

Given the general principles established concerning relations with suppliers, it should be specified that Directors, Employees and other Collaborators, when in relations with Consultants and others, are required to:

- carefully consider the use of the services of consultants and collaborators and select counterparties with adequate professional qualification, ethics, moral integrity and reputation;
- establish efficient, transparent and collaborative relations, maintaining an open and honest dialogue in line with the best commercial practices;
- obtain the cooperation of consultants and collaborators constantly ensuring the most cost-effective relationship between quality of performance and costs;
- require the application of the contractually laid down conditions;
- require Consultants and collaborators to comply with the principles of this Code of Ethics and include in the contracts a specific provision;
- operate within the framework of effective legislation and request its punctual compliance.

The same principles will have to be followed in relations with business procurers and agents.

3.6 Relations with other parties

3.6.1 Shareholders, Board of Auditors, external auditors

The Company undertakes to provide shareholders with accurate, truthful and prompt information, in full compliance with the effective legislation and the statute. In maintaining relations with the members of the board of auditors and the auditing company, the involved parties are required to be as transparent, clear and fair as possible in order to establish a relationship of the utmost professionalism and collaboration; the relationships are established and the information provided after the supervision and coordination by the company functions in charge for this task.

3.6.2. Associazioni di categoria, sindacati e partiti politici

Fabbri does not contribute in any way to the financing of parties, movements, committees and political and trade union organizations or their representatives or candidates.

It refrains from carrying out conduct aimed at direct or indirect pressure on politicians.

Fabbri may also cooperate financially with non-political associations for specific projects, based on the following criteria:

- purposes attributable to Company activities;

- clear and documented allocation of resources;
- expressed authorization by those functions responsible for the management of such relationships within the Company.

3.6.3. **Competitors**

The Company acknowledges the fundamental importance of a competitive market and, in compliance with national and European antitrust rules, as well as guidelines and directives of the Competition and Market Authority, does not behave or sign agreements with other companies which may adversely affect the competition regime between the various players in the relevant market.

In particular, the Recipients avoid practices (creation of cartels, partitioning of markets, restrictions on production or sale, restricted agreements, etc.) which may constitute a violation of competition laws.

All the Recipients must even refrain from implementing undue pressures, threats, acts of violence, artifices, fraudulent practices or otherwise conduct that may prevent or disrupt, in any way, the conduct of the commercial and entrepreneurial activity of others or the free exercise of competition on the market.

In a context of a fair competition, the Company undertakes not to consciously violate the industrial/or intellectual property rights of third parties.

Disclosure and update of the Code of Ethics

Fabbri undertakes to promote and guarantee adequate knowledge of the Code of Ethics by disclosing it to the Recipients through specific effective and adequate information and communication activities.

It should be especially specified that this Code is published on Company's website. The Company is also committed to updating the contents of this document if appropriate and necessary due to changes in the context, reference legislation, environment or business organization.

5 Supervision on the Implementation Of the Code of Ethics

Fabbri identifies the Supervisory Board, appointed pursuant to Legislative Decree 231/2001 and in accordance with the provisions of the compliance program, management and control, as the body responsible for monitoring this Code of Ethics.

The Board's tasks are:

- monitor initiatives related to the knowledge and understanding of the Code of Ethics;
- supervise the effective application of the Code of Ethics, verifying the coherence between the behaviors concretely held by individuals and the general principles, rules and standards of conduct provided for in the document;
- suggest any change, update and addition for the revision of the Code of Ethics, to be submitted to the Board of Directors;
- receive and analyze reports of violation of the Code of Ethics;
- make proposals regarding the possible implementation of sanctions in cases of proven violation of the Code of Ethics.

For any clarification regarding the interpretation or application of the guidelines referred to in this document, Company's staff may contact the Supervisory Board.

Violation or alleged violation of the Code of Ethics must be promptly reported to the Supervisory Board via e-mail, using the address odv.f1905@miout.it or a special box available in each office.

These complaints should be sufficiently precise and detailed and attributable to a given event or area. The Supervisory Body guarantees confidentiality to the whistleblowers in order to avoid any kind of revenge, discrimination or disadvantage.

The Supervisory Board will evaluate the received complaints with discretion and responsibility, even investigating by interviewing the whistleblower and/or the person responsible for the alleged violation, justifying in writing the reasons for any autonomous decision not to proceed and in any case giving notice to the Board of Directors due to the Compliance Program.

Consequences for violations of the Code of Ethics

The behavioral rules defined in the Code constitute the baseline reference to be followed by Recipients in their relations with other parties, particularly in their relations with the Public Administration.

Violation of the provisions of the Code also constitutes disciplinary offence and gives rise to immediate disciplinary proceedings, regardless of the eventual criminal proceedings in those cases in which the conduct constitutes a crime too.

In particular, any type of violation of the behavioral rules contained in the Code authorizes the Supervisory Board to request Fabbri's in charge functions the infliction of one of the sanctions listed below and determined on the basis of the seriousness of the violation committed and the behavior held before (e.g. any previous violations committed) and after the fact (e.g. communication to the Supervisory Board of the alleged irregularity) by the perpetrator of the violation.

6.1. Penalties against employees

The violation of the behavioral rules established by this Code committed by the employees of the Company constitutes a disciplinary offence pursuant to the current National Collective Labour Agreement (CCNL) of the food industry.

The disciplinary measures that can be imposed on the employees – in compliance with the procedures provided for in Article 7 of Law No. 300 of 30 May 1970 (Workers' Statute) and any special regulation applicable, as well as chapter XI articles 66 to 71 – are those established by the following sanction system:

- a) verbal reproach;
- b) written reproach;
- c) fine up to three hours pay;
- d) work suspension with a relative reduction in remuneration for a period not exceeding three days;
- e) dismissal without notice, in accordance with Articles 68 to 70 of the aforementioned CCNL.

Anyway, the competent business function will always keep the Supervisory Board informed about any inflicted sanction and/or verified violation.

6.2. Penalties against managers

The disciplinary measures that can be imposed on managers – in compliance with the procedures provided for in Article 7 of Law No. 300 of 300 May 1970 (Workers' Statute) and in compliance with any other applicable special regulations – are those established by the following sanction system:

- a) written censorship;
- b) disciplinary suspension;
- c) dismissal due to legitimate reason;
- d) dismissal due to law-abiding reason.

Anyway, the competent business function will always keep the Supervisory Board informed about any inflicted sanction and/or verified violation.

6.3. Penalties against members of the Board of Directors, Board of Auditors and Supervisory Board

In case of violation of the Code of Ethics by one or more members of the Company's Board of Directors, the Supervisory Board will inform the entire Board of Directors and the Board of Auditors in order to let them adopting appropriate measures in accordance with the seriousness of the violation committed and in accordance with the powers established by the law and/or the Statute (statements in the minutes of the meetings, request for or directly call for a meeting of the Shareholders' including on the agenda the need of implementation of appropriate measures against the people responsible for the violation, etc.).

The disciplinary measures that may be imposed on one or more members of the Board of Directors of the Company, subject to a resolution of the Board of Directors to be adopted with the abstention of the interested party and, where required by law and/or by the Articles of Association, by resolution of the Shareholders' Meeting, are those established by the following sanction system:

- a) written reprimands;
- b) office temporary suspension;
- c) office revocation due to law-abiding reason.

In case of violation of the Code of Ethics by the entire Board of Directors of the Company, the Supervisory Board shall inform the Board of Auditors to let it immediately call for the Shareholders' Meeting for adopting appropriate measures.

In case of violation of the Code of Ethics by one or more members of the Board of Auditors or the entire Board of Auditors of the Company, the Supervisory Board shall inform the Board of Directors to let it adopt appropriate measures in accordance with the seriousness of the violation and in accordance with the powers established by the law and/or by the Statute (statements in the minutes of the meetings, request for or directly call for a meeting of the Shareholders' Meeting).

including on the agenda the need of implementation of appropriate measures against the people responsible for the violation, etc.).

If the Board of Directors is informed of any violation of the Code of Ethics by one or more members of the Supervisory Board, the Board of Directors will, in collaboration with the Board of Auditors, take the initiatives deemed as the most appropriate in accordance with the seriousness of the violation and in accordance with the powers established by the law and/or by the Statute.

If the violation is committed by a member of the Supervisory Board who is even an employee of the Company, the penalties referred to in paragraphs 6.1 and 6.2 will be applied.

Anyway, the Board of Directors and the Board of Auditors will always keep the Supervisory Board informed about any inflicted sanction and/or verified violation.

6.4. Penalties against collaborators, consultants, suppliers, agents, contractors, customers and other collaborators

Any violation carried out by the above-mentioned subjects may lead to the termination of the contractual relationship without prejudice to any claim for compensation, in accordance with the provisions of the specific contractual clauses included in the engagement letters, collaboration agreements or in any other contractual document, if such behaviors would cause any damage to the Company, as far as in the case of judge's implementation of the measures established by the Decree.