



**SUPPLIER
CODE OF CONDUCT**

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INTRODUCTION

RINO MASTROTTO GROUP S.p.A. including ELMO SWEDEN AB (hereinafter also the RINO MASTROTTO GROUP or "Company") is a company whose roots are sunk in a family tradition which dates back to the mid 1900's and today is a prestigious brand in the tanning sector recognised at international level.

ELMO SWEDEN AB is wholly owned by RINO MASTROTTO GROUP S.p.A. This Code of Conduct applies therefore to suppliers of ELMO SWEDEN AB.

The Company lays claim to consolidated experience and collaborates with numerous fashion, luxury and automotive sector brands which have made a name for themselves at global level thanks to the quality of their products and, consequently, also the materials used.

Nevertheless, within the sphere of the entire production cycle, RINO MASTROTTO GROUP pays the utmost attention to observance of the environmental policies and transparency of its activities.

RINO MASTROTTO GROUP believes that it is an indispensable condition that these principles are shared and applied also by the parties who enter into contact and work with it, in the conviction that a quality product can only be obtained when the rules contained on the following pages represent a common and shared asset.

These are rules which RINO MASTROTTO GROUP has adopted as reference standards and which have permitted the company to grow until it has become one of the leading businesses in the sector. The company objectives, in fact, have been adapted to the need to protect the work of whomever enters into contact with the Company, the competition and the competitiveness of the market, as well as the environment and animals, involved or otherwise directly in the production cycle.

In accordance with the principles indicated above, as well as in a national, EU and international legislative context which is increasingly sensitive to risks for environmental, animal and community safety, RINO MASTROTTO GROUP has complied with the "Zero Discharge Hazardous Chemicals by 2020" policy initiated by a number of the most well-known brands with which the company works. This objective may only be achieved with the full collaboration of our selected suppliers and monitoring the use, in our production processes, of chemical substances subject to restrictions, not only for the finished skins and hides but also in the raw materials purchased.

This leads to the need that the programme indicated above is shared and followed also by said suppliers, it being impossible to achieve this result without the entire production chain respecting said rules.

A solid integrity in the application of the principles illustrated above and the observance of the laws which discipline said principles represent the fundamental features of the Code of Ethics which RINO MASTROTTO GROUP has endowed itself and which the same imposes, via this Code of Conduct, on those who work with it for the purposes of ensuring the highest quality standards and, with them, an increasingly greater environmental sustainability and animal welfare, together with the implementation of the social policies.

SECTION I — HUMAN CAPITAL

1.1 HUMAN RESOURCES

The Supplier must make the relevant national and supranational labour law legislation accessible to all the staff, in the local language or at least in English. Specifically, but not limited to, the provisions regarding minimum wages, overtime limits and costs, working hours, holiday entitlement and leave must be published.

All the staff must be employed by virtue of a contract written in the local language or, in any event, in a language accessible to each employee.

To protect illiterate employees, the Supplier undertakes to acquaint the same, by means of suitable forms and methods, of the staff policies, the provisions of the employment contract and the methods for calculating their salary.

1.2 CHILD LABOUR

The Supplier may employ its staff only in observance of the provisions of the International Labour Organisation (in particular, the ILO Convention No. 138 or the more stringent national legislative provisions concerning child labour) and any other Convention of the United Nations concerning the rights of children.

All the employees from the permitted minimum age until the age of 18 must be relieved from carrying out dangerous activities, working beyond the contractual hours and during night shifts. Furthermore, any other limitation envisaged by the national legislation for employees under the age of 18 must be considered as operative.

All the employees under the age of 18 must be easily identifiable by means of any measure useful for this purpose.

1.3 FORCED LABOUR, COERCION AND HARASSMENT

The Supplier must refrain from using any form of illegal, forced or in any event involuntary labour.

All the staff must be treated with dignity and respect. No form of corporal punishment or psychological violence nor any other abuse must be envisaged.

The Supplier must adopt clear policies on the inadmissibility of harassment and any other abuse by the supervising staff and on the procedures which permit the employees to report this type of incident.

The right of the employees to leave the workplace during their free time must not suffer any limitation.

Security officers who exercise pressure on the employees must not be envisaged.

The employees must be free to present their resignation in accordance with the rules which discipline the institute.

The original copies of the documents of the staff (identification documents, passports and birth certificates) cannot be kept by the employer on a permanent basis.

Monetary deposits payable by the staff must not be envisaged, either at the time of employment or for the entire duration of the employment.

1.4 DISCRIMINATION

The Supplier must safeguard and further the respect of human dignity, which must not be discriminated on the basis of age, gender, sexual or gender orientation, personal and social conditions, race, language, nationality, political and trade union opinions and religious beliefs.

Consequently, discriminatory conduct when employing staff, in the remuneration, training, access to the Supplier's structures, work conditions and any other sphere is not tolerated.

The employees originating from foreign countries must enjoy the same rights which local employees enjoy. Any expense associated with the employment of foreign employees must be incurred by the employer.

Pregnancy tests must not represent a condition for employment. Employees must not be obliged to use contraception. The employees who benefit from maternity leave for the duration established by local laws must not be dismissed or forced to present their resignation, they must not lose their length of service or suffer reductions to their salary to an extent greater than that permitted by the law, and at the end of the leave they must not be demoted.

1.5 FREEDOM OF ASSOCIATION

The Supplier must guarantee the right to establish or join trade union associations and the right to comply with collective agreements under the terms permitted by local laws.

All the employees must have the right to choose the trade union association to join.

The Supplier must guarantee the trade union association the right to carry out its activities during working hours under the terms established by local legislation and refrain from any sort of discrimination according to the provisions envisaged by local legislation.

The Supplier must guarantee all the staff the right to express their opinion by means of the arrangement of a mail box, via e-mail or by means of any other channel arranged by the employer

1.6 SALARY AND WORKING HOURS

All the staff must be guaranteed the minimum wage envisaged by the sector law or by the collective bargaining applicable in the place the work is performed, if this envisages better conditions for the employee.

The Supplier must correctly calculate the pay of its employees and pay it over together with a precise payslip which permits the checking thereof.

The Supplier must guarantee income security, social security contributions and any other sector-related legislative provision in observance of the applicable legislation. Unjustified deductions from the payslip are not permitted.

The employees must be paid the amount envisaged for every form of remunerated leave which they have the right to access.

The working hours must not exceed the daily, weekly, monthly, quarterly and annual limits envisaged legally.

Each employee must be guaranteed at least one day's rest a week. Overtime must be voluntary and always remunerated.

1.7 DISCIPLINARY MEASURES

No form of physical violence must be envisaged as disciplinary measures.

The Supplier must make the disciplinary procedure accessible to all the employees in the local language or in any event a language comprehensible to the employees. The procedure must observe all the applicable laws and, where present, the collective contracts which ensure greater protection for the employees.

All disciplinary action must be carried out in accordance with the applicable law.

1.8 HEALTH AND SAFETY MANAGEMENT SYSTEMS

The Supplier undertakes to arrange and maintain safe and healthy work environments in observance of current legislation regarding the protection of workers and the prevention of accidents in the workplace, for the purpose of ensuring the physical and moral integrity of its Employees and co-workers.

The Supplier must adopt procedures suitable for identifying and reducing the risks for health and safety in the workplace. In detail, the Supplier must avoid the risks; assess the risks which cannot be avoided; contrast the risks at source; adapt the work to the man, especially with regard to the conception of the work stations, the choice of the equipment, the work and production methods, also so as to mitigate monotonous, repetitive work and reduce the effects on health.

Emergency plans and specific intervention procedures must be defined in relation to the assessment of the risks made. The Supplier must appoint a qualified representative who ensures a safe and healthy workplace for all the staff.

All the staff must be instructed with regard to the safety of the workplace via periodic drills.

All the staff must be equipped with personal protection equipment and accident-prevention clothing required by sector legislation and by the industrial standards, without this leading to any cost for the staff.

All the staff must be obliged to wear the personal protection equipment for the entire duration of the work shift.

If in the areas of the workplace a specific risk of accidents to eyes exists, stations must be set up for washing eyes in areas rapidly and easily accessible.

The employees who use dangerous equipment and/or who are at risk of coming into contact with high voltage must have suitable technical qualifications.

1.9 EMERGENCIES AND ACCIDENTS

The Supplier must make sure that the emergency lights and alarms are in perfect working order. The evacuation route and the emergency exits must be kept clear and suitably indicated in the local language.

The fire fighting equipment must be provided by the employer. A periodic control of the extinguishers and the other fire fighting systems must also be envisaged so that they are kept in a good condition and are easily accessible and well distributed throughout the workplace.

The Supplier must appoint a fire fighting team and must organise periodic fire drills in compliance with local laws. These drills will involve all the staff and must be recorded.

The list of the emergency phone numbers must be easily accessible to all the employees.

First aid equipment in keeping with the possible needs must be available and, where envisaged by law, a qualified doctor/nurse must be present during working hours.

The Supplier must appoint a first aid team which must be subject to periodic drills.

An up-dated report of the accidents must be kept, which cannot be altered by those in charge of safety.

1.10 WORK ENVIRONMENT

The areas where the work activities are carried out must be in keeping with the needs and compliant with the provisions of the law for the use they are intended for. The buildings which house said areas must observe the legislative provisions concerning construction. If necessary, a specific periodic structural check must be envisaged.

The workplace must be suitably ventilated, clean, illuminated and have a comfortable temperature. In the same way, access to drinking water resources must be ensured.

The Supplier must periodically check the existence of the requirements mentioned above, with particular attention to temperature, light, noise, ventilation and dust.

A suitable number of bathrooms must be envisaged, in accordance with the provisions of the law. The bathrooms for the men and for the women must be separate and must be kept clean.

The wiring, electrical systems and other devices must be suitably indicated and maintained in a satisfactory condition.

Each piece of machinery must be endowed with a maintenance register, a declaration of compliance and the safety manual also in the local language. Protection devices and prevention measures are adopted for dangerous machinery. Out-of-order machinery must be suitably labelled to prevent use.

If a dormitory and/or canteen are present, these must comply with the provisions of the law applicable as and when.

Containers of chemicals must be suitably labelled and stored. The usage instructions for the chemicals must be available in a language which can be understood by the pertinent staff and must be observed by the same.

Insofar as is technically possible, the chemicals must be used in separate areas and all the precautions must be adopted for avoiding the spillage of said substances in the floor of the premises of the Supplier or on the ground as well as their emission into the atmosphere. All the inflammable substances must be stored in areas separate from those in which production takes place.

SECTION II - ENVIRONMENTAL PROTECTION

2.1 LOCAL ENVIRONMENTAL IMPACT

All the local and international regulations and norms must be observed with regard to protection and preservation of the environment and the local communities, for each environmental system, including therein, merely by way of example, those regarding acoustic impact, asbestos, etc.

The Supplier must be in possession of the necessary environmental licences and authorisations pertinent to the activities carried out and must provide the communications required by the Public Administration Authorities.

The Supplier must set up an environmental management system aspiring to the international principles and standards of the sector.

The Supplier must adopt policies aimed at the furthering of activities and processes as compatible as possible for the environment, by means of the use of advanced criteria and technologies regarding environmental protection, energy efficiency and sustainable use of the resources.

The company's production policies must tend towards the protection of the ground, water and air from pollution and must be implemented via procedures suitable for the purpose.

The Supplier must see to the procurement of raw materials and energy sources not originating from territories or areas protected by national laws or international conventions.

The Supplier must collaborate with all those who provide their activities, for any reason, within and for the Supplier or vis-a-vis any subsidiary and/or investee company of the same, so as to optimise the handling of the environmental problems. The pursuit of increasingly higher protection standards must take place by means of the implementation of suitable systems for managing and monitoring the production chain.

The production structures must be constructed or converted in such a way as to ensure their harmonious integration in the local context, whether natural or constructed by man, and in observance of the local laws and regulations and of the international agreements.

Furthermore, a periodic assessment must be carried out on the social and environmental impact of the activities on the local communities

2.2 CHEMICALS AND DANGEROUS SUBSTANCES

The presence of chemicals substances in the finished products must be contained within the limits established by the applicable regulations, as well as by the contractual documents from time to time supplied by the Company (such as, for example, specifications drawn up by the Company and/or by its customers).

The chemicals used by the Supplier in the production processes which concern products and/or services intended for RINO MASTROTTO GROUP must be compliant with the provisions of the law and in particular with the REACH (EC Regulation No. 1907/2006 of the European Parliament and of the Council of 18 December 2006) which the Supplier is obliged to comply with or, where this is not applicable, provisions aspiring to said principles.

On a consistent basis with the compliance by the Company with the policy of the international programme "Zero Discharge Hazardous Chemicals by 2020", the Supplier undertakes to adopt the highest technological standards in the sector, applying the principle of precaution to substantially reduce - even below the existing limits and tolerances of law - or progressively eliminate, as far as technically possible, from its production chain, the use of chemicals that are toxic/harmful to the health and safety of people and the environment. Such chemicals include but are not limited to: pentachlorophenol, aromatic amines under restriction from azo dyes, hexavalent chromium, formaldehyde, cadmium and its compounds, nickel and its compounds, chlorine-organic components, chlorinated paraffins under restriction and organic solvents under restriction, fluorinated gases, perfluorooctane sulfonates, dimethyl fumarate and lead, conforming to the best and latest scientific, technological and practical experience in the sector in which RINO MASTROTTO GROUP conducts business.

The storage of prohibited chemicals in the areas of the workplace is not permitted.

The Supplier must adopt measures for the prevention of accidental damages to the tanks containing chemicals. These tanks must be kept in a good condition.

Each storage point for the chemicals must be equipped with a secondary containment tank.

2.3 WASTE MANAGEMENT

All the waste and in particular hazardous waste must be disposed of responsibly and in compliance with legislation and regulations on the subject.

The adoption and implementation of procedures for the disposal of all the flows of potential hazardous waste must be suitably documented. The Supplier must organise suitable storage, treatment and recycling of the hazardous waste.

The employees tasked with the disposal of hazardous waste must be aware of the risks associated with these materials and act in such a way as to protect themselves, third parties and the environment from the damages which may derive from said risks.

All the storage areas for hazardous waste must be kept in a safe state (at least covered and protected), have a secondary containment tank and be inspected at least weekly.

The supplier must be able to provide the documentation which bears witness to the effective final destination of the hazardous waste at all times.

2.4 WATER TREATMENT

All the waste water deriving from the production process must be treated, before being discharged, in compliance with the legislation and regulations on the subject.

All the waste water drains must be monitored as envisaged by sector legislation.

If within the production chain a waste water treatment system is present, the delivery of the discharge of the rainwater runoff generated by the drainage surfaces must take place in a different and protected place with respect to the treatment system.

If, by contrast, it is envisaged that the rainwater runoff flows within the waste water treatment process, this must take place without this giving rise to any negative interference for said treatment process nor any damage for the environment.

If the waste water treatment system indicated above is present, what is more, the staff in charge must be aware of the process for making the system function correctly.

2.5 ATMOSPHERIC EMISSIONS

All the emission must be treated in a suitable and transparent manner in compliance with the legislation and regulations on the subject and within the limits envisaged by local and international regulations.

The sources of atmospheric emission must be identified, authorised and equipped with devices that control pollution which, when necessary, remove or filter the polluting substances before the release into the atmosphere.

2.6 WELLBEING OF THE ANIMALS

The Supplier must observe ethical practices for the capture, keeping, reproduction, breeding, transportation, handling and slaughtering of the animals in the skin, hide, fur and precious skin procurement chains.

In these production phases, a minimum impact on the environment and biodiversity must be ensured.

Methods and procedures must be adopted in compliance with national and international standards regarding animal wellbeing, such as those issued by the World Organization for Animal Health.

The Supplier must observe the highest standards of animal wellbeing. Specifically, all the animals - in observance of the requirements of each species - must have a minimum level of the following guaranteed:

- free from hunger and thirst, guaranteeing a healthy diet and access to drinking water; free from discomfort, by means of their accommodation in a suitable environment which also envisages a sheltered area where they can rest;
- free from pain, injuries and disease, via prevention, rapid diagnosis and treatment;
- free to express their natural behaviour, providing sufficient space and the company of animals of the same species;
- free from fear and stress, envisaging treatment and procedures which do not involve psychological suffering;
- free from experimentation on specimens still alive.

The Supplier therefore acknowledges that the Company will deem the products of animal origin delivered to the same which have been mistreated, which have suffered or which have been brutally killed or which have not been obtained from animals bred for food purposes (whose hide and/or fur does not therefore represent a waste product), as well as obtained in violation of the provisions for the safeguarding and wellbeing of the animals, to be non-compliant.

2.7 CONTROL AND ORIGIN OF THE ANIMALS

The Supplier must guarantee, at all the levels of the procurement chain, the full traceability of the hides, so as to be able to permit the tracing back to their origin.

In the cases of products of animal origin, the Supplier shall have to communicate at least the following information: common name; scientific name; country of origin of the animal; country of origin of the product if, as a consequence of the treatment carried out, different to that of the animal; type of treatment used; source of procurement (e.g. bred in captivity, in the wild, etc.).

2.8 PROTECTION OF THE AMAZON BIOME

The Supplier must ascertain, guarantee and certify the origin of the raw materials or processed or semi-processed materials from companies other than those involved in the deforestation of the Amazon biome as from July 2006, or from companies included in the list of the embargo of the Brazilian Institute of Environment and Renewable Natural Resources, IBAMA (www.ibama.gov.br), or located in Native Forest Land in Argentina protected by the Zoning Law.

It must be ensured that the supplies of hides do not come from companies which use, directly or indirectly (via the production of fodder for animals), land of sensitive natural ecosystems (in particular forests and meadowlands) with an elevated value in terms of conservation converted into pasture as from 2009.

The Supplier must check that the hide does not come from operations of grazing of livestock on land contested by indigenous groups or on areas protected by international,

EU, federal, state or local laws, or from companies included in the list of the embargo of the Brazilian Ministry of Labour and Employment, MTE (Ministerio do Trabalho e Emprego: www.mte.gov.br).

SECTION III - TRANSPARENCY OF THE PRODUCTION CHAIN AND COMPLIANCE

3.1 PRODUCTION AND SUB-CONTRACTING

The transparency of the information regarding the origin of the raw materials and the operations carried out on the same must always be guaranteed.

The Supplier must precisely communicate the production forecast and any possible production excess under contract.

The Supplier cannot resort to sub-contracting without the prior written consent of RINO MASTROTTO GROUP.

In any event, the Supplier is obliged to make the sub-contractor aware of, observe and sign a copy of this Code of Conduct by way of acceptance.

In the event sub-contracting is indispensable, RINO MASTROTTO GROUP must be immediately informed.

3.2 CORRUPTION, REGULATORY COMPLIANCE AND MONEY LAUNDERING

The Supplier must be in possession of a suitable commercial licence and must keep financial accounts compliant with national legislative provisions and, in any event which are accurate.

All the actions, operations, negotiations and, more in general, any conduct which this Code of Conduct refers to, must aspire to the maximum correctness, reliability and transparency.

Within the sphere of these activities, the information must be rendered in a transparent, truthful, complete and accurate manner.

Moreover, each of these activities must be duly authorised and correctly registered, as well as verifiable, consistent and suitably documented for the purpose of permitting - at any time - the checking of the related decision-making, authorisation and performance process.

An anti-corruption policy will have to be adopted and observed in line with the matters envisaged by the RINO MASTROTTO GROUP Code of Ethics and, in any event, with the reference legislation.

The Supplier will not have to be implicated in any way in events associated with the laundering and self-laundering of money originating from criminal activities or the fencing of goods or other profit of unlawful origin.

The Supplier, what is more, must check in advance the available information on the commercial counterparties, suppliers, partners, collaborators and consultants, in order to assess their reputation before establishing any business relationship with them.

In conclusion, the Supplier must undertake to observe all the applicable provisions and norms, both national and international, regarding the fight against money laundering and self-laundering.

3.3 DEALINGS WITH THIRD PARTIES

The Supplier, within the sphere of the relationships with the national, EU or international public Institutions and Administration Authorities, must observe the legislative provisions in force and, in any event, aspire to principles of honesty, good standing and transparency.

The Supplier, within the sphere of the dealings with the national, EU or international public Institutions and Administration Authorities, as well as with public officials or public servants, or bodies, representatives, agents, exponents, members, employees, consultants, those appointed with public functions, must not inappropriately influence the decisions of said Authorities or Institutions and in particular the officials who negotiate or decide on their behalf.

During the course of a negotiation or a business relationship, including commercial, with public Institutions or Administration Authorities, the Supplier must refrain from the following conduct:

- offering or granting opportunities of employment and/or commercial benefits to public officials involved in the negotiation or dealings, or to the related family members;
- offering gifts and other benefits, unless these are acts of commercial courtesy of a modest value;
- providing untrue information or omitting to communicate important facts, when requested.

In any event, the Supplier and its employees are not permitted to pay, or offer, directly or via third parties, sums of money or benefits of any kind or entity to public officials, whether they are public officers, government representatives, public employees, so as to compensate or pay them for an act under their office or to accomplish the execution of an act contrary to the duties of their office.

Also vis-a-vis third parties, the Supplier must avoid offering or granting money, employment opportunities, gifts or other benefits, for the purpose of obtaining the performance or omission of acts in violation of the official or loyalty obligations.

The Supplier must base its dealings with RINO MASTROTTO GROUP on the needs of its customers, on loyalty, on professionalism, on willingness and promptness in meeting the commercial requests and on the accurate fulfilment of the obligations undertaken, encouraging on-going collaboration and solid and long-lasting relationships of trust.

The same principles must be applied by the Supplier vis-a-vis its suppliers and sub-contractors and the entire production chain.

The Supplier must contribute towards the wellbeing and growth of the entire community in which it operates.

Accordingly, the Supplier must align itself, in the performance of its activities, with the respect of the local and national communities, encouraging dialogue with the same, with the public institutions which represent them, the trade union associations or other associations.

The Supplier must not have any dealings with national or international organisations, associations or movements which pursue, directly or indirectly, unlawful ends or, in any event those prohibited by law.

3.4 CONFIDENTIALITY AND PROTECTION OF THE INDUSTRIAL AND INTELLECTUAL PROPERTY

The Supplier acknowledges that for the purposes of this Code of Conduct, "Confidential and Proprietary Information" is understood to be all and every confidential information, protected and/or not generally available to the public, revealed in any form and by any means by RINO MASTROTTO GROUP to the Supplier, including therein, but not limited to, the information relating in full or in part to trade secrets, financial information, business plans and marketing strategies, prices, intellectual property rights (such as distinguishing signs, registered and unregistered trademarks, logos, domain names, patents, utility models, drawings, designs and models, rights on designs owned by the Company and/or third parties), copyrights, all the original works of a creative nature covered or not by copyright, technical and commercial information including, but not limited to, information and/or data regarding the existence of the contractual relationship outstanding with the Company (hereinafter the "Confidential and Proprietary Information").

The confidentiality of the Confidential and Proprietary Information must therefore be guaranteed by the Supplier and its staff, in compliance with the most rigorous observation of the legislation in force on the subject of data protection, industrial property and copyright.

In the event of access to electronic information protected by password, the latter can be known exclusively by the parties assigned the same, who are under the obligation not to divulge them and to safeguard them, so as to make them inaccessible to unauthorised parties.

The Supplier therefore undertakes to protect and maintain the confidentiality of all the Confidential and Proprietary Information adopting standards of maximum diligence for preventing that the confidential information is revealed, or subject to divulgation, directly or indirectly, to third parties or persons, including

therein any of its co-workers, employees, managers, office workers and legal consultants or those of another kind, except for those co-workers, managers, office workers and legal consultants who:

- (i) need to have access to the same and awareness of which is necessary for the correct execution of the contractual relationship with the Company;

- (ii) have been informed of the confidential nature of the Confidential and Proprietary Information; and
- (iii) have been bound by the same confidentiality obligations the Supplier is responsible for.

It is understood between the Parties that any other divulgation may be made solely subject to the written consent of the Company.

The obligations relating to the Confidential and Proprietary Information contained in this Code of Conduct do not apply to information which:

- 1) is or has become public domain not as a result of an illicit act committed by the Supplier;
- 2) has been legitimately revealed to the Supplier by third parties without violation of a confidentiality agreement or similar pact and without violation of this Code of Conduct;
- 3) has become possible to divulge due to the express authorisation of RINO MASTROTTO GROUP; and
- 4) whose divulgation is required by the law or the order of a judge or government agency or regulatory authority.

It is understood that the burden of proof that the Confidential and Proprietary Information has been revealed in compliance with the exceptions envisaged by the previous point is the responsibility of the Supplier.

All the Confidential and Proprietary Information and any derivative information shall remain the exclusive property of the Company. The Supplier acknowledges that this Code of Conduct does not grant any right to use the Confidential and Proprietary Information for purposes other than those agreed expressly in writing with RINO MASTROTTO GROUP.

Specifically, the Supplier is prohibited from using on own account, duplicating, reproducing, imitating, patenting in any form and with any means for any purpose, the Confidential and Proprietary Information, as well as adopting any conduct aimed, in general, at forging, altering, duplicating, reproducing or disclosing others work, in any form and without the right to.

3.5 FAIR COMPETITION AND CONFLICT OF INTERESTS

The Supplier must contribute towards the development of a healthy and correct system of competition, in observance of the laws which discipline the subject.

Furthermore, the Supplier must refrain from adopting and/or encouraging conduct which may take on the form of unfair competition, such as the diversion of customers, the cornering of customers also via the violation of the principle as per section 2.3.

When carrying out its activities, the Supplier must avoid situations where the parties involved in the transactions are, or may also just appear to be, in conflict of interests.

Conflict of interests must be understood to be the case where the parties involved have an interest differing from the purpose pursued with the transaction or carry out activities which may in any event interfere with their capacity to make decisions in the exclusive interest of the company for which they work, or they personally take advantage of business opportunities which the Supplier has due to dealings with RINO MASTROTTO GROUP.

In the event of conflict of interests, the Supplier must promptly inform RINO MASTROTTO GROUP and comply with the decisions the latter adopts in this connection.

3.6 SANCTIONS AND CONTROL ACTIVITIES

The Supplier and all the eventual sub-contractors of the same are obliged to observe this Code of Conduct and align themselves with the provisions contained herein.

The contracts entered into between RINO MASTROTTO GROUP and the Supplier will have to be supplemented by the following general clause, adapted on the basis of the specific contractual relationship:

'The supplier declares to be aware of the provisions contained in the Code of Ethics and the Code of Conduct adopted by the Company, attached to this contract and/ or published on the website www.elmoleather.com as an integral and essential part of the same, and also declares to fully accept the same, refraining from conduct contrary to them. The inobservance by the supplier of the commitments undertaken in the previous paragraphs leads to a serious breach of this contract and represents justification for the lawful termination of the same'.

In the event of suppliers who are employees or co-workers of Public Bodies, the following clause must also be present:

'The supplier, in the event it is an employee or collaborates with Public Bodies, declares to have acquitted all the fulfillments possibly requested by the same and/ or envisaged by the laws in force for the undertaking of other professional appointments. The inobservance by the supplier of the commitments undertaken in the previous paragraphs leads to a serious breach of this contract and represents justification for the lawful termination of the same.'

In any event, the Company reserves itself the right to terminate any contractual relationship outstanding with whomever violates the provisions of the Code of Conduct.

The Supplier is also obliged to check that its suppliers and sub-contractors observe the provisions agreed herein and undertakes to indemnify and hold harmless the Company against any damages and/or third party claims deriving from and/or associated with the failure to observe the provisions envisaged herein also by its suppliers or sub-contractors.

For the purpose of permitting the check of the observance of the obligations contained in this Code of Conduct, the Supplier undertakes to permit each representative of RINO MASTROTTO GROUP and/or each inspector and/or auditor appointed by the Company free access, also during working hours, to the premises, plants, offices, installations, equipment, documents, accounting ledger and reports, without prejudice to the commitment of RINO MASTROTTO to maintain any information acquired during the inspection confidential. The access must also be ensured vis-a-vis the investee companies and the sub-contractors of the Company, without any prior notification being necessary, without prejudice to the commitment of the Supplier to offer any assistance which should become necessary during the above-mentioned inspections and to keep all the documentation relevant and/or functional for the purposes of said inspections.