

ETHICAL CODE FOR SUPPLIERS

1. GENERAL PRINCIPLES

Marcolin S.p.A.'s ("Marcolin") ethical code (the "Code") for Suppliers (the "Suppliers") sets out rules aimed at guaranteeing that Suppliers apply safe work conditions, that employees are treated with dignity and respect and that the adopted production process respects the environment.

In fact, Marcolin requires Suppliers to respect the laws, regulations and national provisions of the territory in which its office is located and to observe the present Code which is based on internationally recognized standards to promote environmental and corporate social responsibility. In particular, the principles represented in this ethical code are inspired by the standards of the ILO international agreement.

The Suppliers' adherence to the Code, in its entirety, is an essential requirement for the development and the persistence of positive employment relationships between Marcolin and its Suppliers.

2. LABOR

2.1. Suppliers must commit to respect and defend employees' human rights and treat these rights with the dignity and respect intended by the international community.

2.2. Child labor: Suppliers must not employ or support child labor. The term "child" refers to those persons whose age is inferior to that which national regulations establish for the completion of compulsory scholastic instruction and, in any event, shall not be less than 15 years of age (or 14 years of age where permissible by national laws). Those employees having less than 18 years of age must not perform dangerous job classifications and/or work which is harmful to one's health. ILO Convention 138, 182 and Recommendation 146.

2.3. Forced labor: Suppliers must neither employ nor support forced/compulsory labor. Any labor offered must be voluntary and employees must be free to discontinue the employment relationship with reasonable notice. Employees must not be asked to consign government issued identification documents, passports or work permits as a condition to being hired. None of Suppliers' employees shall be forced to submit to corporal disciplinary measures, mental or physical coercion, and verbal abuse. ILO Convention 29 and 105.

2.4. Discrimination: Suppliers shall undertake to ensure that its work force is free of illicit discrimination and harassment. Suppliers shall not discriminate on the basis of race, color, age, sex, sexual orientation,

ethnic origin, disability, religion, political affiliation, labor union membership or marital status, during either, the hiring process, or, the employment relationship, such as with regards to promotions, honors and access to vocational training. Additionally, potential or actual employees shall not be forced to submit to gynecological examinations/pregnancy tests which could be used in a discriminatory manner. ILO Convention 100, 111, 158, 159 and 183.

2.5. Minimum wage and hours of work: all salary levels of all Suppliers' employment category levels shall not be less than the minimum prescribed by National Regulations. Overtime employment shall be voluntary and must not exceed the maximum limits established by the National Regulations. Remuneration terms and conditions must be communicated clearly and timely. Employees must have at least one day of rest for every seven day week and must be permitted to take annual vacation days, sick days, maternity leave as permitted by the National Regulations. ILO Convention 1, 26, 131 and 158.

2.6. Freedom of Association: open communication and direct confrontation between employees and management is most effective in resolving complaints with regards to the workplace and restrictions. Suppliers must respect employees' right of freedom of association, as well as the right to affiliate with labor unions and be represented and/or to join employee boards, as provided by the location legislation. Employees must be permitted to openly communicate with management with regards to working conditions without the fear of repression, intimidation and harassment. In any event, Suppliers must undertake to respect the International Labor Organization's agreements. Convention ILO 87, 98, 135, 154 and Recommendation 143.

3. HEALTH AND SAFETY

3.1. Suppliers' employees must operate in a clean and safe work environment in accordance with the parameters provided by the National Regulations.

3.2. Protection systems and machinery: all of Suppliers' occupational health and safety services and equipment, in all work stations used by employees, must be in conformity with the parameters prescribed by the National Regulations, and employees must be trained as to their proper use. Physical protections, interlocks and barriers must be installed on the machines used by employees, and the same must undergo regular proper maintenance.

3.3. Industrial Hygiene: Suppliers must identify, evaluate and regulate exposure to chemical, physical and biological agents. If adequate

examination of the risks with technical and administrative means is not possible, employees must be equipped with the proper personal protective apparatus.

3.4. Safety: Suppliers must examine workers' exposure to safety hazards in the workplace (for example, electrical outlets and other sources of energy, fire, vehicles, slippery conditions, etc.), through appropriate technical and administrative inspection planning, and preventative and safety maintenance procedures.

3.5. Workplace: all facilities used by employees and Suppliers must be in conformity with regulations of fire prevention and must be equipped with adequate and easily identifiable emergency exits; the same must also be ventilated, illuminated and must have hygiene services conforming, without exception, to the National Regulations, including the National Regulations regarding environmental protection.

3.6. Cafeteria and rest: Suppliers must reserve one or more appropriate areas for their employees' rests and dining. These areas must conform to National Regulations.

3.7. Emergency plans: emergency evacuation plans must be established and must be regularly drilled in all facilities utilized by the Suppliers.

3.8. Occupational accidents and sickness: Suppliers must predispose of procedures and systems of management, supervision and reporting of occupational accidents and sickness, and, shall moreover:

- a) encourage employees to report accidents or sickness;
- b) classify and record occupational accident cases and sickness;
- c) provide necessary first aid;
- d) examine the cases and implement corrective measures so as to eliminate the causes;
- e) facilitate employees' return to work.

4. ENVIRONMENT

4.1. Suppliers acknowledge that environmental responsibility is an integral component in the realization of high quality products. Production activities shall minimize adverse effects on the environment and natural resources, yet preserve public health and safety.

4.2. Restrictions on product content: Suppliers must observe all applicable laws and regulations regarding bans or limitations on certain substances, including the laws and regulations with regards to recycling or waste labeling.

Additionally, when requested, Suppliers must provide information regarding the raw materials used and the manner in which such products are disposed.

4.3. Hazardous chemicals: all chemical materials, or materials which could be harmful to the environment if released, must be identified and managed so as to guarantee the safety in its use, transport and storage.

Additionally, in the event that national or international regulations require, when requested, Suppliers must provide information inherent to the above-mentioned chemical materials or potentially hazardous materials employed.

4.4. Solid and liquid waste: before being disposed of or released, solid and liquid waste deriving from work activity, industrial processes and sanitation systems must be monitored, examined and treated in accordance with the laws in effect with regards to the matter.

4.5. Atmospheric emissions: prior to being released, atmospheric emissions of volatile organic chemical substances, aerosol, corrosive substances, particulate, chemical products harmful to the ozone and combustion byproducts resulting from work activities, must be characterized, monitored, examined and treated in accordance with the laws in effect.

4.6. Pollution prevention and reduction of resources: waste of any kind, including that of water and energy, must be reduced or eliminated at the source or through practices such as the modification of production processes and maintenance, and the substitution, preservation, recycling and reprocessing of materials.

5. MANAGEMENT SYSTEM

5.1. Suppliers must adopt or institute a management system which adheres to the contents of this Code. The system of management must be formulated so as to guarantee:

- a) observance of the applicable laws and regulations and of the clients' needs in relation to the activities and the products of the Suppliers;
- b) conformity with the present Code;
- c) identification and reduction of operative risks in relation to the present Code.

The system must also foster continual improvement.

In the event that the present Code is not adhered to, in its entirety or in part, Suppliers must immediately inform Marcolin and propose a reasonable timeframe in which they will conform to the unfulfilled provisions.

6. ETHICS

6.1. In order to satisfy corporate social responsibility and achieve success in the market, Suppliers must observe the highest ethical standards, including the following:

- 1) Prohibition of corruption, extortion or embezzlement prohibition: the utmost integrity must be observed in all commercial interactions. Any form of corruption, extortion or embezzlement is absolutely prohibited;
- 2) Disclosure: information regarding the activities, the structure, the balance sheets and profits must be disclosed according to applicable regulations and procedures in place in the sector;
- 3) Prohibition of improper advantages: excessive gifts or donations, or other means of obtaining improper advantages or indebtedness, must neither be offered or accepted;
- 4) Commercial integrity, honest publicity and competition: standards of decency and honesty in business conduct and in advertisement and competition must be respected. Measures to protect client information must also be set forth;
- 5) Protection of intellectual property: intellectual property rights must be respected and digital transfer and know-how must be carried out in a way so as to protect intellectual property rights.

7. PROTECTED SPECIES OR SPECIES IN DANGER OF EXTINCTION

7.1. Suppliers must adhere to National and International regulations, such as “The Convention on International Trade of Endangered Species (CITES)”, which discipline the supply, use, importation and exportation of raw materials deriving from protected species or species in danger of extinction.

8. UTILIZATION OF DIAMONDS AND GOLD

8.1. Suppliers will do everything they possibly can to ensure that the diamonds and gold eventually used are extracted and commercialized with the utmost respect for human rights and the environment.

9. COUNTRY OF ORIGIN OF PRODUCT COMPOSITION

9.1. Suppliers must provide Marcolin with updated information regarding the country of origin of product composition, and, if requested, furnish relevant certificates of origin.

10. FINAL PROVISIONS - INSPECTIONS

10.1. Marcolin requires that all of its Suppliers ensure that its sub-suppliers will respect the provisions of this Code.

10.2. Marcolin may request any information which it retains, in its absolute discretion, necessary to evaluate its Suppliers' adhesion to this Code.

Therefore, inspections may be performed by Marcolin personnel, and/or persons employed by Marcolin, and such persons must have free access to the facilities and industrial units, as well as the opportunity to privately interview employees.

10.3. Any violation of this Code, or Supplier's refusal to apply any of Marcolin's request for corrective measures, constitutes, and will be considered, a fundamental breach of the contract by the Supplier.

10.4 Marcolin will distribute a copy of this Code, in Italian and/or English, to all of its Suppliers. All Suppliers are requested to post this Code, translated in the local language, in the factories and disclose it to all employees, who shall be provided with all information regarding this Code and its implementation.

MARCOLIN S.p.A.

With Acceptance and Acknowledgement,
