

CODE OF ETHICS

Composad S.r.l.

INTRODUCTION:

The identity of our company, since its establishment, is based on a set of values that should be pursued and protected by all those who belong to it.

These values, over the years, have allowed us to consolidate and enrich our corporate culture and focus on sustainable growth as a determining lever for responsible development able to satisfy the interest of all "stakeholders".

These latter contain a group of expectations and various goals, representing contexts and subjects that are even far from each other, from private and institutional investors to internal human resources, from financial analysts to public authorities, from external collaborators to suppliers, from customers spread all over the world to the local community in our area.

The rules arising from these principles, and which aim at preventing non-compliant behaviour, find full expression in our Code of Conduct.

Each one of us has a personal responsibility in the application of these principles, an essential element to ensure the effectiveness of any form of rule to bring our organisation to achieve its objectives, both in the human field and in the professional one.

Consequently, the Code of Conduct is binding on the conduct of all employees of Composad, including not only employees but also the main suppliers and customers, who must act in line with the general principles of this document, in full respect of any cultural, social and economic differences of the various work contexts.

The adoption of this Code of Ethics aims to be an expression of a business environment in which the primary goal is to meet the expectations and needs of all stakeholders, both



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internal and external to Composad, through an increasing level of professionalism and through prohibition of enacting all activities that are contrary to the provisions of law and the values that Composad intends promoting.

All these are the "recipients" of the Composad Code of Ethics.

All employees, collaborators and stakeholders will therefore have to follow the rules contained in this document, which together with the regulations in civil and penal matters represent all the rights, duties and responsibilities assigned to each one.

In no case may the pursuit of the company interest, or of individuals who compose it, justify behaviour not in line with this Code of Ethics.

Composad ensures all employees and collaborators adequate training and information related to the content of the Code of Ethics and the problems related thereto.

The Code of Ethics is an integral part, together with the definition of the Safety Policy and the Quality Policy, of the Organisational Model of Management and Control that the company has taken on.

OUR MISSION:

Being part of a group with a solid industrial tradition and important local roots, Composad aims to continue its course of developing new products and new markets through the continuous improvement of its performance and its attitude towards the attention to the social and environmental impact of business.

Composad mission is to enter permanently in the top ten European producers of particleboard ready-to-assemble furniture, in terms of sales, and recognised by the market as the most efficient and reliable for the quality of its products and the utmost attention to environmental balance and work ethics.

Composad pursues excellence and competitiveness, offering its customers products and services that respond appropriately and effectively to their needs, in a market - the self-assembled furniture by the end user – that within the sphere of low average unit value of the items does not want to conceal the uncritical acceptance of a lower perceived quality.



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OUR VALUES

1) Integrity, loyalty, transparency and correctness:

Composad has compliance with the laws and regulations in force in all markets where it operates as an essential principle. All those who establish a professional relationship with our organisation are required to know this Code of Ethics and the rules of reference that govern our work, whether derived from compulsory or internal regulations.

In particular, they are required to:

- refrain from behave contrary to the values contained in this Code and should consult their supervisors if clarification is needed about the application of these rules;
- immediately report to their company representatives any information about possible violations or attempted violations, and cooperate with the departments responsible for verification of the events;
- properly inform all third parties they should come in contact for business reasons of the existence of the Code of Ethics and the commitments that it requires of all parties, as well as require compliance with these obligations;
- refuse any request or offer of benefits, except gifts for commercial use and of modest value, which are known and authorised by General Management, and which are not aimed at undue favourable treatment, in relation to any kind of professional relationship.

On the issue of confidentiality:

- Composad guarantees that all information and data managed by its staff in the performance of work will be used within the limits established by company procedures and in compliance with privacy protection regulations.
- Similarly, Composad is committed to protecting sensitive information relating to its employees and collaborators, avoiding any improper use of it.



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- Employees, collaborators and anyone else related to Composad, must safeguard, according to the principle of confidentiality, the protection of technical, financial, legal and administrative know-how, and personnel and company business management, as well as any information obtained in the duty and the tasks performed in the company, recognising intellectual property exclusively to the company itself.
- It is also forbidden to perform any unlawful data processing and become liable for any crime of an information nature.
- In relations with the authorities, the local community and the organs of communication, only the officers appointed by the General Management are authorised to disclose information and to respond to specific requests, doing so in accordance with the principles of truthfulness, completeness and clarity, and ensuring reports that are accurate and consistent with the company policies contained in this document.

On money laundering, anti-corruption, and anti-terrorism:

- Employees, collaborators, consultants or third parties in any way connected to Composad may not offer or receive gifts or other benefits from public or private interlocutors, aimed at altering the normal and lawful professional relationship, improperly influencing decisions of the counterparty. Composad condemns and rejects all forms of corruption regardless of the beneficiary of such practice.
- In the selection of suppliers of goods and services, Composad bases itself exclusively on quality, price, service guarantees, equity, correctness, and respect of the terms of purchase and policies referred to in this document, avoiding any possible undue pressure that would question the impartiality of the choices.
- Composad recognises the primary value of the constitutionally recognised principles of democratic order and free political determination, therefore is completely alien to



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it, and any attitude that can be connected to subversive behaviour, to transnational crimes or terrorist activities is expressly forbidden to all employees and collaborators.

- Recycling and the use of money or assets of unlawful origin, persuasion to make false statements to the court, personal aiding and abetting, and all crimes related to unlawful trafficking in counterfeit or prohibited goods, to the crimes of association for conspiracy of any kind and degree, as well as aiding illegal immigration and the enslavement of human beings, are practices that Composad rejects and refuses. Therefore, any employee or collaborator who becomes aware of the commission of such acts must immediately notify their responsible managers.

On the subject of corporate malfeasance and document transparency:

- All decisions and the resulting actions of Composad must meet the principles of legitimacy and legality. In particular, it is established that it must be possible to verify any authorisation and operational process relative to a decision that has the character of criticality and relevance according to the common meaning of the terms. This means that there must be adequate supporting documentation, through accurate, truthful and transparent minutes, in order to identify and monitor the participants and decision-makers and the actions consequent to it.
- In accordance with the absolute compliance with the laws in force, Composad advises full observance of the principles of truthfulness and correctness to all its employees, in relation to any legally relevant document in which are noticed economic, patrimonial and financial elements, for whatever purpose they may be needed for a control authority, internal or external to the company.

2) Work ethics:

Composad is committed to ensuring the professionalism and competence of its employees and collaborators, who are a resource and an absolute value for the company's credibility.



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In protecting the primary value of human resources Composad does not allow any form of discrimination, whether based on gender, religious faith, political thought, marital status, sexual orientation, ethnic origin, race, nationality, age and different condition of ability, against employees and collaborators, whether direct or indirect for whatever reasons.

Strictly prohibited are all forms of intimidation, coercion and harassment of any kind, as Composad pursues and supports in every form the protection of internationally proclaimed human rights.

Having as an indispensable value the protection of freedom, safety and personality of each individual with which it has any kind of relationship, Composad repudiates any behaviour that might favour or feed repressive or restrictive practices, aimed at the exploitation of the person or his work, or the simple reduction to a state of subjection.

In this sense, Composad gives primary importance to the protection of minors, who are therefore excluded from any activities relating to it, which is not expressly provided for and regulated by applicable law.

In view of the above, concerning staff recruitment, the company adheres to the rules of transparency, to guarantee equal opportunities according to the equal opportunity quotas needed to select specific skills, whether they are dictated by occasional rather than durable requirements, with a simple profile or a need for specialized or trust-based relationships.

Direct personnel and all collaborators of Composad, in view of the mission that the company has taken, are required to work with an attitude of courtesy, transparency, sense of responsibility, absolute diligence and collaborative spirit towards colleagues and third parties.

Composad also considers primary the value of mutual respect and constructive cooperation that should be established between the Managing Heads of Function and all their collaborators, of any kind and degree. Each position that has a role of responsibility has to support the professional growth of the people assigned to him, consistent with available resources and with the aptitudes of each one, in order to achieve a true and fruitful operational efficiency, operated in a challenging and rewarding context for everyone.



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Composad is also committed to ensuring its employees and collaborators a work environment suited to safeguarding health, safety as well as physical and moral integrity, in accordance with laws in force and in relation to the nature of its industrial operations.

3) Work safety:

The company is committed through certification of its organisation, pursuant to OHSAS 18001, to promote and consolidate a culture of safety in the workplace, developing risk awareness and promoting responsible behaviour by all employees and collaborators, pursuant to the Consolidating Act, Legislative Decree 81/08.

Composad guarantees and protects the physical and moral integrity of its collaborators, tending to have work conditions that respect individual dignity and safe and healthy environments, consistent with the structures necessary for company activity and with the need for correct and responsible behaviour by personnel.

In particular, with regard to the prevention of accidents or injuries that could result as a consequence in industrial diseases or serious, very serious or mortal injuries, Composad periodically performs an analysis of the risks related to its activities, and prepares appropriate prevention and protection measures through the structure directly responsible to the Employer (SPP-Protection and Prevention Service).

It also draws up plans for continuous training and information on these issues, with learning verification and continuous improvement programmes, entered in the Management System Manual for Safety, and verified by the Institute of Management Review.

Composad establishes for all staff the absolute prohibition of consumption of alcohol and drugs or psychotropic substances before and during the performance of their duties and during any breaks for refreshment, because of the negative effects on the necessary attention and readiness of operators and especially considering significant risks related to internal handling with forklifts and fire risk.



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It is also planned annually a simulation of the Emergency Situation with evacuation of all personnel present in the production site and a quarterly analysis of the accident phenomenon, in order to draw useful information for management for appropriate preventive action.

4) Quality and customer orientation:

Composad believes the company reputation and image is a significant part of its assets and one of the fundamental strategic factors for its success, an indispensable prerequisite to preserve and strengthen its presence on the market.

In order to protect this fundamental value and to build a lasting relationship of trust with its customers, the company pays particular attention to customer care, all treated with equal respect, dignity and consideration regardless of their size, origin and propensity for purchasing.

In confirming that all activities are performed in compliance with the law, in a context of fair competition and in good faith in respecting the legitimate interests of customers, Composad enacts its intention to honour commitments made with commercial partners and its awareness of the value of customer satisfaction. To achieve this end Composad follow the Quality Management System certified in accordance with ISO 9001, and the Quality Policy issued by the General Management and made known to all employees and collaborators.

The efficiency and effectiveness of the system of internal Management Control are also basic conditions for the conduct of company business in line with the principles of this document and with the economic objectives set out, which led to the requirement that information be reliable and complete.

Composad invites all employees and collaborators to strive with determination towards the results that the company aims at each year, becoming personally involved in defining the part of the programme of their own expertise, and in its development by contributing



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original, constructive inventiveness, with the sole purpose of achieving concrete results, i.e. the common good for all stakeholders.

5) Environmental protection:

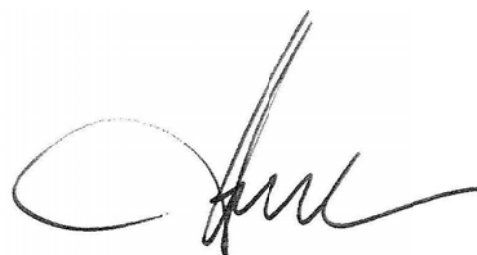
Composad conducts its business and pursues its objectives while respecting the environment and legislation in force, particularly with reference to mainly using recycled raw materials, to reducing energy consumption, and carefully managing minimum industrial waste that is generated, identifying in these values qualifying elements for its image and being awarded for its work and for the territory in which it is rooted.

Always attentive to regulatory changes nationally and internationally, and the changed focus on these issues shown by market operators and public opinion, Composad is committed to promoting the development and dissemination of articles derived from eco-efficient technologies and to sensitise customers to the awareness of the environmental impact of its work, offering exclusively wood-based materials 100% recycled and FSC certified, as well as formaldehyde emission well below the legal limits.

Viadana, 1st December 2014

Managing Director

Dr. Alberto Donvito



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