

VHERNIER

MILANO

VHERNIER CODE OF ETHICS

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GENERAL RULES

The Vhernier group is an international industrial group operating in the high-end jewellery sector of which Vhernier S.p.a. is the operating parent company.

Established in 1984, the company has grown exponentially not least thanks to the excellence of its employees and those collaborating with it, and its continuous focus on innovation and research.

The Code of Ethics bears witness to conduct and a culture based on the values of integrity, respect, transparency and legality.

Aims and guiding principles

With a sense of moral responsibility and integrity, Vhernier is mindful of contributing to the development process of the national economy and civil growth of the country through its operations.

The company believes in the value of work and considers the legality, fairness and transparency of its actions to be essential prerequisites for achieving its economic, productive and social objectives.

All of Vhernier's business is carried out in compliance with the law, in a framework of fair competition, with honesty, integrity and fairness, in respect of Customers, Suppliers, Employees, Independent Contractors, Commercial and Financial Partners and subsidiary and/or associated companies.

All individuals who work and/or collaborate with the Company, without exception or derogation, undertake to comply with and ensure compliance with the principles of the Code of Ethics within the scope of their functions and responsibilities. The conviction of acting in the interests or for the benefit of the company or the Group in no way justifies the adoption of conduct contrary to said principles.

The board of directors, managers and heads of the relevant departments are responsible for compliance with the principles and values that inspire the Code of Ethics and promote, through their conduct, the compliance with the principles of the Code of Ethics.

Scope and recipients

In the event of differences between the principles of the Code of Ethics and local legal systems, the more restrictive provisions contained in the Code of Ethics and the individual legal system must be applied. In order to promote compliance of the Code of Ethics, Vhernier prepares and periodically revises appropriate communication, training, prevention and control measures.

The Recipients of the Code of Ethics are the members of the Corporate Bodies of all the Group Companies, the employees, independent contractors and all those who, directly or indirectly, regularly or occasionally, establish relations with the company. The Code of Ethics is an integral part of employment contracts and/or agreements with independent contractors and compliance is considered an essential part. Violation of the Code of Ethics may result in the termination of agreements with independent contractors and the application of disciplinary measures for employees and for the most serious violations, termination of the employment contract.

Each Recipient is required to know the Code of Ethics, contribute to its implementation, and make suggestions for improvement. Any Recipient who becomes aware of a violation of the principles of the Code of Ethics is required to report it in accordance with the "Procedure for the management of reports and notifications regarding violations of the Code of Ethics", which consists of reporting it to a specially trained and dedicated Company Desk (tutelacodicetico.vhernier@gmail.com) to which reports and notifications can be made.

Conflicts of interest

The Recipients of the Code of Ethics must avoid and, in any case, are required to report situations and/or activities which lead to conflicts of interest or that could interfere with their ability to make impartial decisions.

Recipients must act in a fair and transparent manner when dealing with third parties generally, with an explicit prohibition on the use of favouritism and illegal practices or requests for benefits for themselves or others.

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Adoption of the Code of Ethics

This Code of Ethics was adopted by Vhernier S.p.A. with resolution of the Board of Directors on 20 December 2019, with immediate effect from this date, and distributed to all subsidiaries for adoption.

Through the adoption of the Code, rules are established relating to:

- conduct in dealings with external parties, independent contractors, the market and the environment, to whom the Company discloses its internal and external activities, requiring compliance from all independent contractors, consultants and, insofar as is relevant, external parties;
- organization and management of internal rules aimed at creating an efficient and effective system of planning, implementation and control of activities that ensures constant compliance with the rules of conduct and prevention of violations by any person working for the Group.

Promoting compliance with the Code of Ethics is included in Vhernier's Governance and is one of the key points of its implementation. The Code of Ethics is also an integral part of the compliance system with the provisions of Legislative Decree 231/2001. Violation of the principles contained in the Code of Ethics may also result in a liability under Legislative Decree 231/2001.

All the Boards of Directors of the Group Companies are required to accept the Code of Ethics formally.

Dissemination of the Code of Ethics

The Code of Ethics is widely disseminated internally and is available to all external parties dealing with Vhernier.

All those collaborating with the Company are required to know and comply with the provisions of the Code. Vhernier monitors compliance with the Code carefully, providing adequate information, prevention and control mechanisms and intervening, if necessary, with corrective actions.

Vhernier undertakes to disseminate the Code of Ethics as widely as possible, both to all employees, including through specific training and dissemination activities, and to all relevant parties concerned outside the Group.

For any clarification regarding how the Code of Ethics applies, contact the manager in charge.

Revision of the Code of Ethics

The Code shall be revised following legal changes.

The Code may be amended and supplemented by a resolution of the Board of Directors, also on the basis of suggestions and indications from the Board of Statutory Auditors and the Supervisory Board.

Any changes and revisions shall be communicated and made available to the Recipients.

RULES OF CONDUCT

Section I

External relations

Competition

Vhernier believes in free and fair competition and forms its actions to obtain competitive results that reward ability, experience and efficiency.

In compliance with Antitrust provisions, Vhernier promotes integrity, fairness and fair competition between parties and undertakes to counter any corrupt practice aimed at obtaining undue advantage, both in dealings with public authorities and public bodies, and with private-sector entities.

Any action aimed at altering the conditions of fair competition is contrary to company policy and is prohibited for any person acting on its behalf.

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Compliance with all laws and regulations applicable in the different geographical territories in which Vhernier operates is an essential condition for any transaction and negotiation. Conduct which does not comply with current regulations, in any country in which the Group operates, is not permitted.

Under no circumstances may the pursuit of the Group's interests justify conduct by top management or those working for the Company that is not in compliance with current laws and with the rules of this Code.

Information concerning the company and its activities must be truthful, clear and verifiable in any communication outside the company.

Relations

With external parties

Dealings with any external party, whether in the public or private sector, must be conducted in compliance with the law and the principles of fairness, transparency and verifiability.

No form of gift that may seem to be in excess of normal business practices or courtesy, or in any case aimed at acquiring favourable treatment in the conduct of any activity, is permitted.

Contacts and dealings with Public Institutions must comply with the principles and provisions dictated by the Code of Conduct of public authority employees and shall be managed exclusively by individuals specifically appointed to do so. Specifically, with regard to representatives or employees of public authorities, it is forbidden to seek and establish personal relationships of favour, influence or interference that could directly or indirectly influence the outcome of the relationship. It is also forbidden to offer goods or other benefits to representatives, officials or employees of public authorities, including through third parties, unless they are gifts of modest value and in accordance with customary practice and provided that they cannot be understood as being intended to seek undue favours.

Shareholders

Vhernier undertakes its activities in the interests of the Shareholders and in compliance with the corporate purpose.

Unless provided for by law or the Articles of Association, any preferential conduct towards one or more shareholders is not permitted. The company guarantees compliance of current regulations on corporate information.

With suppliers of professional services, other service providers and suppliers in general

Dealings with suppliers of professional services, service providers and suppliers in general, including financial and consulting contracts, are governed by the rules of this Code and are constantly and carefully monitored.

Vhernier uses suitable professional specialists and suppliers who operate in compliance with current regulations and the rules included in this Code.

Vhernier ensures fairness and clarity in commercial negotiations and the acceptance of contractual obligations, as well as faithful and diligent contractual performance. The selection and formulation of the conditions of purchase of goods and services must be guided by criteria of competition, objectivity, fairness, impartiality, and fairness in price and quality of the goods and/or services. The suppliers of professional services, service providers and suppliers shall adopt operational solutions in line with current legislation.

When conducting any negotiations, situations must always be avoided where the parties involved in the transactions are or may appear to be in conflict of interest.

Vhernier only resorts to litigation when its legitimate claims are not duly satisfied by the other party.

With customers and consumers

Vhernier aims to pursue the satisfaction of its customers, both in terms of product quality and service excellence. Customers and Consumers must be guaranteed comprehensive and accurate information on products and services.

Promotional initiatives that could cause Customers and Consumers to incorrectly understand the products are prohibited.

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Section II

Gifts, Anti-money laundering, Information systems, Privacy, Corporate assets

Gifts, giveaways and promotional activities

It is not permitted to offer/accept money, presents or benefits in dealings with Customers, Suppliers and third parties in general, both in the private and public sector, for the purpose of obtaining undue benefits of any kind, contrary to official duties or otherwise in violation of the law in general.

Both the giving and receiving of gifts or giveaways of modest value and, in any case, which do not influence the recipient's independent judgement, are permitted.

Vhernier does not provide contributions, advantages or other benefits to political parties and workers' trade unions, nor to their representatives, except in compliance with applicable legislation.

Anti-money laundering

Vhernier undertakes to prevent its economic and financial system from being used for the purposes of money laundering and financing of terrorism (or any other criminal activity) by its Customers, Suppliers, Employees, Independent contractors and all parties in the performance of its business activities.

The Group checks information available on all counterparties with the utmost diligence, in order to verify the correctness and legitimacy of their activity before establishing any business relation. Dealings of any kind with parties believed to be involved in criminal activities of any kind shall be refused.

Information systems, the Internet and social networks

IT tools are a fundamental means to support the search for innovation and excellence regarding product quality and customer service.

In addition to traditional means of communication, Vhernier intends to initiate constructive and transparent dialogue with Employees, Customers and Stakeholders also through new opportunities deriving from social media. In this regard, the parties involved will exercise the utmost care in evaluating the contents and materials to be disseminated through digital media.

Any use of company computer systems or social networks in violation of current laws (such as offending the freedom, integrity and dignity of individuals, especially minors, or which may lead to undue intrusion or damage to the computer systems of others), is prohibited.

Privacy policy

Vhernier undertakes to guarantee that personal information acquired by them is adequately protected according to the terms provided for by current regulations to protect the dignity, image and confidentiality of each person, whether internal or external to the Group.

Personal information is collected and stored only if necessary, for specific, clear and legitimate purposes. The data shall be kept only for a period of time not exceeding that necessary for those purposes.

As part of the protection of privacy, the Group pays particular attention to the correct information of the individuals whose personal data are requested, its use and the ways in which the data subjects can contact the company if they have any questions.

Corporate assets

All the company's employees and independent contractors are required to use the company's assets made available to them with care and diligence in compliance with the procedures, avoiding any use that may cause damage or that is contrary to the interests of the company.

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Intellectual property rights and anti-counterfeiting

Assets that are worthy of maximum protection are know-how and intellectual property rights, with particular reference to trademarks, product design, materials and components.

Vhernier uses the utmost diligence to protect know-how and intellectual property rights.

The use of assets protected by rights belonging to others without authorisation is in no way permitted. The company rejects any kind of counterfeiting and undertakes to counter any initiative aimed at the production and marketing of non-original products.

Section III

Relations with employees

Employment

Vhernier recognises the importance of human resources as the main factor for the success of any business, within a framework of mutual loyalty and trust between employer and employee.

Employees will be hired in accordance with the provisions of the law and employment contracts.

Employment relationships will be conducted in compliance with the sector collective bargaining regulations and with social security, tax and insurance regulations.

Vhernier promotes the continuous improvement in its employees' skills, also through training initiatives.

Management and development of employees

Vhernier undertakes to look after and promote the personal and professional development of its Employees, creating initiatives to grow their abilities and skills.

Training and professional growth opportunities are guaranteed for all Employees in line with merit and results achieved.

In order to better pursue the company's objectives, Vhernier promotes collaboration and relations so that there is a constant and continuous exchange of reciprocal feedback on the activity carried out and the conduct adopted, in order to modify, correct and improve the functioning of the various company processes.

The human resources selection process complies with the criteria of merit, expertise, skills and the company's values.

Vhernier is against any form of discrimination or undue favouritism in the selection of personnel.

Vhernier rejects the exploitation of labour, including, and above all, child labour, in any country in which it operates.

In addition to complying with the specific regulations provided for in each individual country, the company promotes the protection of workers' rights, trade union freedom and the rights of association.

Wellbeing, health and safety

Vhernier considers the safety of Employees as a fundamental principle, guiding the company's choices and decisions and it is pursued throughout the Group's organizations.

It guarantees the physical and moral integrity of employees and independent contractors, working conditions which respect an individual's dignity, and safe and healthy working environments, fully complying with current regulations on occupational accident prevention and protection of workers.

Vhernier undertakes to protect the psychophysical wellbeing of Employees, including by seeking a balance between work and personal and family needs and by prohibiting any conduct which is violent or detrimental to an individual's dignity.

Safe and healthy working conditions are guaranteed to Employees and Independent Contractors through information, continuous training and the direct responsibility of everyone for applying the safety procedures and vigilant preventive action.

Preventative measures are revised on the basis of organizational and production changes relevant to occupational health and safety and developments in prevention and protection technology.

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Safeguarding diversity

Vhernier is convinced that valuing differences and promoting the welcoming and inclusion of individuals who represent new worlds, cultures and identities in the workplace represents a great opportunity, also for corporate growth.

Within all its organizations, it ensures the same opportunities for entry and professional growth, eliminating any possible discrimination, direct or indirect, relating to individual attributes, such as gender, disability, age, marital status, ethnic or social origin, faith, sexual or political orientation.

Section IV

Relations with the market and territory

Protection of confidential information

The protection of confidential information regarding the Group is a priority and fundamental principle.

Vhernier rejects any use of confidential information, both inside the Group, and in dealings with third parties, on social media or the dissemination of false or misleading information.

All recipients of the Code of Ethics must adopt careful and responsible conduct in the management of confidential company information, complying with the rules adopted to avoid its dissemination both internally and externally, unless expressly authorised to do so.

Price sensitive information (represented by information regarding company facts) may only be disseminated by functions expressly appointed to do so, in compliance with company procedures and the relevant regulations.

Environment and sustainable development

All activities are managed in compliance with current regulations regarding the environment.

Vhernier promotes sustainable development and therefore supports environmental protection by improving resource efficiency and working with suppliers who take into account the environmental impact of their products and services.

Donations and sponsorships that benefit the community

When choosing third parties for possible sponsorship, Vhernier undertakes to promote activities that comply with the principles of the Code of Ethics.

Any donations must be given to beneficiaries whose objectives are not in conflict with the principles of the Code of Ethics. In all cases, traceability of the operations and transparency in the decisions, including the choice of the beneficiary, must be ensured. Contributions to political parties or their representatives or to associations which could give rise to conflicts of interests are expressly prohibited.

In no case may donations or sponsorships be used by the Recipients to obtain undue benefit from parties, directly or indirectly connected to the beneficiaries.

Relations with the media

Relations with the press and the media must be based on compliance with the law and the Code of Ethics and shall only be maintained by parties expressly appointed to do so. External communications must comply with the principles of truth, fairness, transparency and prudence and must be aimed at promoting awareness of the Group's policies, programmes and projects.

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Implementation methods

Prevention

In compliance with current regulations and with a view to planning and managing company activities aimed at efficiency, fairness, transparency and quality, Vhernier adopts suitable organizational and management measures to prevent conduct which is illegal or in any case against the rules of this Code by any party which acts for the Group.

In view of the structure of its activities and the complexity of the organisation, it adopts a system of delegated powers and functions, providing in clear and specific terms the assignment of tasks to individuals with the appropriate skills and expertise. Regarding the extent of the delegated powers, it adopts and implements organisation and management models that contain suitable measures to ensure that activities are carried out in compliance with the law and the rules of conduct of this Code, and to detect and promptly eliminate risk situations.

Controls

Vhernier adopts specific control procedures for compliance of the conduct of anyone operating in accordance with the provisions of current regulations and the rules of conduct of this Code.

Vhernier considers it important to develop a culture of internal control and risk management that encourages informed decision-making and helps to ensure the safeguarding of the company's assets, the efficiency and effectiveness of company processes, the reliability of corporate and financial information, and compliance with current legislation, the articles of association and internal procedures.

In order to pursue these objectives, it has adopted a set of procedures and organisational structures designed to identify, assess, manage and monitor the main risks to which the Group is exposed.

All the Recipients of the Code of Ethics are required to cooperate fully with the internal functions and external Bodies responsible for verifying the effectiveness of the control system.