

ADOPTION OF THE COMPANY CODE OF ETHICS of PAPILLON MILANO 1990 SRL

1.1 REASONS FOR THE ADOPTION OF THE CODE

PAPILLON MILANO 1990 srl has deemed compliant with its corporate policies to proceed with the adoption of a Code of conduct and management in accordance with the requirements of the Law Decree 231/2001. This initiative was taken in the belief that, beyond the exemption envisaged by the law, the adoption of this Code of Ethics can constitute a valid awareness-raising tool for all those who work in the name and on behalf of PAPILLON MILANO 1990 srl. The purpose of the Code of Ethics of PAPILLON MILANO 1990 srl is to construct and define a set of rules, procedures, principles and control tools that to provide an organizational and management system (Organizational Model or simply "Model") suitable to identify and avoid the risk of conducts criminally relevant pursuant to Legislative Decree No. 231/2001.

UPDATING THE CODE OF ETHICS

1.2 According with art. 6, paragraph 1, lett. a) of the Decree, the Model (of which this Code of Ethics is an integral part) is an act of enactment of the management body of the Company and will be updated and modified also based on the supervening needs of the company or the regulatory changes that have occurred. Any subsequent substantial modification or integration of the Model must be approved by the Board of Members of PAPILLON MILANO 1990 s.r.l. . However, the Administrator is entitled to adopt formal changes or additions.

1.3 ENVIROMENT OF CODE APPLICATION

The rules and principles of the Model (of which this Code of Ethics is an integral part) must be acknowledged and respected by Employees, Consultants, Collaborators, Administrators, Supervisors, Agents, Attorneys, general Third Parties, operating on behalf of the Company in Italy and abroad. Because of that, PAPILLON MILANO 1990 s.r.l. inserts in its proposals / contracts the clause of adhesion * to its own Code of Ethics to be signed by its own customers / suppliers / consultants etc.

1.4 CODE OF ETHICS SPREAD

The Code of Ethics is brought to the attention of all the Recipients and, as diffused as possible, to all the interlocutors outside the company, by appropriate communication activities including: the delivery of a copy of the present Code of Ethics to all recipients; the formal declaration of binding of the Code of Ethics under disciplinary profile for all Employees through an internal communication and by posting the same in the premises where the social activity takes place, accessible to all; the formal declaration of contractual constraint of the Code of Ethics through the introduction in all the contracts of an informative note related to the adoption by PAPILLON MILANO 1990 s.r.l. of the Code and the consequent commitment, to be respect by signing a contract; the insertion of resolution clauses expressed in supplying or collaboration contracts to make explicit the reference to the provisions of the Code of Ethics.

2. ETHICAL PRINCIPLES

The Code of Ethics adopted by PAPILLON MILANO 1990 s.r.l. is substantially structured as: GENERAL BEHAVIOR PRINCIPLES; GENERAL RULES OF BEHAVIOR; PROCEDURAL RULES FOR OBSERVING GENERAL PRINCIPLES; GENERAL PRINCIPLES OF BEHAVIOR IN RELATION TO SPECIFIC RISK AREAS. In order to ensure compliance with the Code of Ethics rules, appropriate clauses are provided in contracts / agreements / active and / or passive contracts and any other act stipulated with third parties.

Appropriate resolutive clauses are expressed according to art. 1456 of the Civil Code, providing the end of the contractual relationship and any request for damage compensation for behaviors not in line rules contained in the Code of Ethics. An absolutely correct ethical conduct is one of the primary objectives of PAPILLON MILANO 1990 s.r.l. The rules contained are intended to provide to the company employees and collaborators, the general principles and guidelines to follow, be they directors, auditors, freelancers, consultants or business partners,shareholders or investors.

These conduct principles, cannot in any way be interpreted as such as derogations or limitations of the laws or contracts that may govern individual relationships and individual matters.

1.2 GENERAL RULES OF BEHAVIOUR

The company Staff and Executives of PAPILLON MILANO 1990 s.r.l., Employees, External Collaborators and on-behalf companies are required to observe, following formal signing of the related contract, the following principles:

1.2.1 Fairness in a potential conflicts of interest case

Performing any business activity, situations of conflict of interest must be always avoided, even if only potential. Situations when an Employee, a member of the Staff, an External Collaborator pursues a different interest from that one of PAPILLON MILANO 1990 srl or takes personal advantage of company business opportunities.

1.2.2 Personal integrity and protection

PAPILLON MILANO 1990 s.r.l. undertakes to protect the moral and physical integrity of its Employees or External Collaborators by guaranteeing the right working conditions that respect the individual dignity. For this reason It safeguards workers from acts of psychological violence, and opposes any attitude or behavior that is discriminatory or injurious to people, convictions or preferences. The company is committed to compliance with the regulations in force concerning health and work safety, in particular:

1) in compliance with Legislative Decree 81/2008, is adopted the the "MANAGEMENT SYSTEM" REGARDING the protection of health and safety in the workplace

That System permits Papillon Milano 1990 srl to:

/respect the legal structural technical standards;

/plan risk value activities and prepare the consequent prevention and protection measures;

/prescribe emergency management activities, first aid, procurement management, periodic meetings; /allow health surveillance activities;

/guarantee workers preparation and training

/guarantee a direct vigilance regarding procedures and execution of workplace safety;

/guarantee the correct acquisition of mandatory documents and certifications;

/guarantee periodic checks on procedures application and effectiveness.

To ensure maximum control over the possibility to commit one of the crimes referred to art. 25 septies of Legislative Decree 231/01. PAPILLON MILANO 1990 s.r.l. also provides a structured system of procedures and the adoption of an appropriate risk control system.

1.2.3 Information transparency, completeness and truth

External companies collaborators and Employees are required to provide complete, transparent, truthful, understandable and accurate information, to establish relations with the company, investors and anyone else contacting the company are able to make autonomous and conscious decisions about the interests involved, possible alternatives and relevant implications.

1.2.4 Contractual relationships correctness

Contracts and work assignments must be performed according to what established by the parties.

1.2.5 Privacy protection

The treatment of personal and sensitive data by PAPILLON MILANO 1990 s.r.l. is made under current legislation on the personal data treatment in full compliance with Legislative Decree 196/2003. The data controller is PAPILLON MILANO 1990 s.r.l., headquarter in Sesto San Giovanni (Milan) Via Ferrara 7. Regarding this, Specific contractual clauses were prepared by PAPILLON MILANO 1990 s.r.l. aimed to informing the interested party about processing methods of the personal data collected by PAPILLON MILANO 1990 s.r.l. and / or, where required by current regulations, to obtain authorization for processing.

1.2.6 Corruption prevention

It is not allowed any form of gifts or benefits that may be interpreted as an exceeding common commercial practice or courtesy, or anything aimed at acquiring preferential treatment in the conduct of any activity connected to the company, in particular is prohibited any form of gift, tribute or benefit to Italian or foreign public officials, or their family members, which may influence the independence of judgment or assure any legal advantage.

1.2.7 Equal opportunities in employment relationships

PAPILLON MILANO 1990 s.r.l. offers equal employment opportunities to all employees based on specific professional qualifications and performance skills, without any discrimination. The employment relationship will be based on competence and merit, not considering race, religious belief, sex, age, lineage, personal disabilities, in full respect of the rights of the person and the laws in force. Access to roles and positions is established exclusively considering skills and abilities.

1.2.8 Fairness in suppliers relationship

PAPILLON MILANO 1990 s.r.l. ensure not to arbitrarily discriminate its customers and suppliers. Bargaining will take place according to the normative principle of contractual good faith and the correct execution of mutual obligations. The behavior of Employees and External Collaborators towards customers and suppliers must be based on availability, respect and courtesy, aiming to a loyal and highly professional collaborative relationship.

2.2.9 Protection of competition

Under the application of the general rules established in this Code of Ethics, the choice of suppliers must be made not to preclude anyone in possession of the requisites required from the possibility of competing for contract stipulation, (selecting the candidates shortlist adopting objective and documentable standards) and ensuring sufficient competition. In any case, the company reserves the right to establish privileged relationships with all parties that adopt commitments and ethical responsibilities in line with those covered by this Code of Ethics

2.2.10 Objectivity

In credit recovery, the company acts according to objective and documentable criteria favoring, compatible with company interests, a friendly resolution of any disputes

1.3 GENERAL RULES OF BEHAVIOR

All the recipients of the Code of Ethics and the Organizational Model of the Company, of which the Code is an integral part, are required to:

/ strict observe of all laws and regulations in force in all the countries in which the Entity operates, which govern the business activity. To do this, all employees must be aware of the laws and consequent behaviors;

/correctly record and authorize every operation and transaction, that must be authorized, verifiable, legitimate, consistent and congruous. Each operation must be registered and all the useful documentation to verify the decision-making, the authorization and the execution process must be kept;

/ establish and maintain any relationship with third parties in all activities relating to the public function or service performance, based on criteria of correctness and transparency that guarantee the good result and the impartiality in the performance of the them.

2.4 SPECIAL PROHIBITIONS

Contexting the aforementioned behaviors, it is also specifically forbidden to:

/ recognize remuneration in favor of external Collaborators that are not adequately justified in relation to the type of task made following the practices in force in the local area;

/ submit untruthful declarations to national or EU public authorities in order to obtain subsidies or subsidized loans to trick or damage the State or other public authorities;

/ allocate received amounts from national or EU public authorities by contributions or funding for other purposes than those for which they were intended.

PROCEDURAL RULES FOR OBSERVING GENERAL PRINCIPLES

For implementing the aforementioned behaviors: / relations with the public administration for risky areas of activity must be managed in a unified manner, through the identification of a specific " Responsible "for each operation or group of operations; The tasks assigned to external Collaborators must be also put in writing, indicating the agreed remuneration. In the agreement the external Collaborator must undertake, after viewing the content, to comply with the Code;

/ declarations made to national or EU public authorities for the purpose of obtaining grants, contributions or funding, must contain only absolutely truthful elements and, when obtaining, a specific report must be drawn up;

/ those who control and supervision functions related to the performance of activities, for example but not limited to: payment of invoices, allocation of public funds, etc., must pay particular attention to the implementation of the obligations and report immediately to the Supervisory Authorities any irregular situations; / if communication to the public administration takes place through computer media, the suitability of the operator, who enters the data and declarations must always be identifiable (through password and digital signature).

2.6 GENERAL PRINCIPLES OF BEHAVIOR RELATED TO THE SPECIFIC RISK AREAS

2.6.1 Draw up financial statements and general corporate communications

The preparation of the annual financial and the management reports, must be based on internal procedures. The adopted procedures adopted provide, as better explained in the chapter dedicated to organizational processes:

/ the adoption of a competent organizational unit, with suitable measures to guarantee the correct performance of operations in compliance with the principle of truthfulness, completeness and accuracy. Any anomalies in the operations must be promptly reported to the persons in charge of the procedure, subject to the suspension of the procedure pending authorization;

/ the adoption of appropriate measures to guarantee that the information communicated to the hierarchically superior subjects by the persons in charge of the competent organizational unit is truthful, correct, accurate and documented, even via e-communications;

/ listing the data and information that each subject or company function must provide, the identification of the subjects or the function to be transmitted, the criteria for their processing, as well as the timing of their transfer;

/ transmitting data by computer, to have a trace of their path and always have the possibility to identify the subjects and the authors of the data in the system;

/ calculating precise deadlines, to have time to transmit to all members of the Board of Directors financial statements, with a reasonable advance within the date of approval;

/ the adoption of appropriate measures to guarantee: whenever requests are made, by anyone coming, of quantitative variation of the data, with respect to those already accounted for, or of changes in the criteria for recording, recording and accounting representation, whoever is informed, to inform without delay the Supervisory Body.

2.6.2 Protection of the share capital

All the operations that, even indirectly, can affect the share capital of PAPILLON MILANO 1990 s.r.l. , such as the distribution of profits and reserves, the purchase or sale of equity investments, mergers or spin-offs, must be performed in compliance with the law and the following principles:

/ evaluate of the transactions, done with the legal authorities with the precise attribution of decision-making and operational responsibilities regarding individual projects;

/ inform the Supervisory authorities of each project from the beginning to follow the entire decision-making process;

/ make available to the Supervisory Authorities the entire documentation relating to each project;

2.6.3 Mass media relations

PAPILLON MILANO 1990 s.r.l. takes care of media relations, committing itself to providing external communications, adhering to the principles of truthfulness, transparency and clarity, guaranteeing that the information produced is consistent, accurate and always compliant with company policies and programs. Employees and collaborators must therefore abstain, unless expressly authorized by issuing statements regarding the activities of PAPILLON MILANO 1990 s.r.l. to press or other mass media.

2.6.4 Regular operation of the Company

To ensure control over corporate management by corporate bodies, the principles of coordination on the subject set out in the Model, are disseminated throughout the entire company organization, so that, the directors, management and all employees can provide maximum control, transparency and professional fairness to the supervisory authorities.

2.6.5 Activities subject to supervision

With reference to the activities of the Company subject to the supervision of public authorities, based on current legislation, in order to avoid the risk of committing the crimes of false communications to authorities and obstructing the supervisory functions. Activities subject to supervision must be supervised following fundamental principles:

- / periodic reporting to authorities required by laws and regulations;
- / transmitting documents required by laws and regulations (balance sheets and meetings of corporate bodies reports);
- / transmitting data and documents specifically requested by the supervisory authorities;
- / conducting with correctness, professionalism and transparency the inspections, in particular by making available, with timeliness and completeness, the documents considered necessary to acquire;
- / communicating with quality and timing the supervisory authorities;
- / implementing all organizational-accounting interventions necessary to collect data and information for the correct compilation of reports and timely dispatch to the supervisory authority, according to the methods and times established by specific sector regulations;
- / the existence of a reliable information system and effective internal controls, to guarantee the reliability of the information provided to the supervisory authorities;
- / preparing appropriate tools for making this documentation available to the Supervisory authorities for periodic checks.

2. CODE OF ETHICS VIOLATION

3.1 CODE OF ETHICS REQUIREMENTS APPLICATION

In order to enforce all the rules contained in the Code of Ethics, in procedural and organizational protocols, a Disciplinary System has also been prepared containing pre-established sanctions for the violation of every single rule of the code that involves the possibility for the company to be recognized as responsible for the crimes referred to in Legislative Decree 231/01. Employees (executives, middle managers and employees), Consultants, Collaborators, Directors, Auditors, Supervisors, Agents, Attorneys and general Third parties having contractual relations with the Society are subject to the Disciplinary System. Regarding this, it should be highlighted that, the violations of the Code of Ethics and the violations of company procedures differ and remain distinct from law violations that the commission of a crime entails. The decision of the employer must not coincide with the evaluation of the criminal judge, the employer should have not to wait - before imposing the disciplinary sanction envisaged - for the outcome of any criminal proceedings in progress. The sanctioning system is formulated differently according to the author of the violation. Regarding the employees, the disciplinary system was formulated in compliance with art. 7 of the Workers' Statute and characterized by the principle of typicality sanctions alongside the typicality violations systems. The procedures and rules expressly sanctioned are mandatory on all employees and are included in the "Company disciplinary code" which reference is made in full. The disciplinary sanctions adopted will be, according to the type of crime and its severity: VERBAL WARNING, WRITTEN REPRIMAND, SANCTION, REMUNERATION SUSPENSION, DISMISSAL. If the violation of the ethical rules was made by a self-employed worker, supplier or other subject having contractual relationships with the Company, the sanction envisaged is the termination of the contract, as expressed by the termination clauses in the supply or collaboration contracts.

3.1.2 Severity of the disputed violations

The sanctions will be imposed in compliance with the graduality principle and proportionality of the same in relation to the gravity of the behavior, considering the following circumstances:

/ timing and method of the infringement, and the circumstances in which it happened ;

/ the presence and intensity of intentional elements, the degree of negligence, imprudence and incompetence demonstrated, considering the predictability of the event and possible mitigating factors;

/ the relevance of the violated obligations and the valuation of the damage or danger as a result of the infringement for the company and for all employees interested in the company itself;

/ aggravating circumstances, such as the concurrence of several employees. Recidivism: in infringements already disputed in the previous two years, a more serious sanction is applied. In general, the violation of the "General Rules of Conduct and specific to risk areas" of the Code of Ethics is punished with dismissal and the violation of the "other rules of conduct" of the aforementioned Code is punished with conservative sanctions, or with dismissal when, due to the severity of the behavior, no other sanction is appropriate. Enlightening the seriousness of the disputed behavior, the proportionally due sanction will be imposed, based on the minimum sanction provided for by this Code. Generally, the sanction immediately superior will be provided in case of recurrence in the previous two years of the disputed behavior.

For example, if a contested behavior for which the code requires a verbal warning, and this behavior has already been disputed in the previous two years ("recidivism") the penalty imposed will be a written reprimand. Anyone who acts to influence the will of the members of the managers assembly to obtain irregular formation of a people majority and / or a resolution different from that one would have been decided. The dismissal will also be imposed for the behaviors described in the previous paragraph "Conservative sanctions" when subjective and objective elements characterizing the conduct of an employee highlight its particular gravity or recidivism resulting in an irreparable trust damage of the relationship. The dismissal for justified "subjective" reason will be provided with notice. While the dismissal caused by a just cause, when the infringement does not allow the continuation of the employment relationship, can take place with immediate effect. The company retains the right to terminate the employment relationship due to any other employee misbehavior legitimized by the current legislation.

4.SUPERVISORY BODY

Approving the Company Organizational Model, of which the Code of Ethics is an integral part, the Supervisory Body of PAPILLON MILANO 1990 s.r.l. , is established the body of the company entrusted with the task of supervising the functioning of the Organizational Model and taking care of updating it. The Supervisory Body of PAPILLON MILANO 1990 s.r.l. is nominated by the Owners' Assembl, and has its own regulation, which specifies: a) the roles and functions it is responsible for; b) its composition; c) the internal operating rules; d) the powers attributed; e) the information flows, to and from the Administrator, from and to the organizational structure.