

Damiani Group

CODE OF ETHICS

May 2015

INDEX

INTRODUCTION3

Ethical principles.....4

 Respect for laws and regulations.....4

 Integrity.....4

 Dignity and equality4

 Business Ethics.....4

 Professionalism and cooperative spirit5

 Workplace safety and workers’ health.....5

RECORDS of actions5

 Confidentiality5

 Transparency and completeness of information6

 Conflicts of interest6

 Relations with the regulatory bodies.....6

 Safeguarding the environment.....6

Rules of BEHAVIOR7

 Relations with customers, suppliers, consultants, aSSOCIATES, agents and business partners .7

 Relations with institutions and public officials8

 Human Resources9

 Privileged information.....10

 Company communications and BOOKKEEPING.....10

 Usage of company equipment, mechanisms and structures10

 Other prohibited conduct11

RULES OF ENFORCEMENT.....12

 PENALTIES.....12

 NOTICE of the Code12

 Entry into force and coordination with company procedures13

INTRODUCTION

Damiani S.p.A. and their subsidiaries (hereinafter “Damiani Group”) are active in the production and sale of high-end designer jewelry.

The Damiani Group (or “the Group”) has adopted this Code of Ethics (hereinafter the “Code”) to clearly, and transparently define the values to which its business activities are shaped after.

This Code contains the Ethical principles and rules of behavior that the company’s top management, its employees, consultants, associates, agents, suppliers, business partners, and all those persons who operate in the name, or on behalf of the Group (hereinafter the “Recipients”) shall respect.

The principles and the rules contained in this Code describe the general obligations of diligence, integrity and loyalty to be respected to perform the duties and to act with the general public.

The observance of this Code is an integral part of the contractual obligations of the company’s Employees, pursuant to and for the purposes of article 2104 of the Italian Civil Code¹. Any violation of the Code by the Recipients is, a disciplinary offense, punishable pursuant to the applicable legislation, and/or considered to be a breach of their employment contract.

The importance of this Code has been reinforced by the liability of the entities for crimes and administrative offenses referenced to by the law dated June 8, 2001 number 231.

In order to protect its image and safeguard its resources, the Damiani Group will have no relations with persons who do not intend to act pursuant to the applicable laws currently in force and/or who refuse to act according to the ethical principles and the rules of behavior established in this Code.

¹Article 2104. Diligence of suppliers of labor. – The supplier of labor must use the diligence that is required by the nature of the service supplied, by the interests of the enterprise and by the higher one of national production. Furthermore they must observe the measures laid down for carrying out and governing the work that are given by the entrepreneur and by the associates to whom they report hierarchically”.

ETHICAL PRINCIPLES

RESPECT FOR LAWS AND REGULATIONS

All the activities in the name and on behalf of the Damiani Group must be carried out in respect of the laws and regulations in force in all the countries where the Group operates.

Each Recipient agrees to diligently obtain the understanding of the applicable laws and regulations necessary to carry out its duties.

INTEGRITY

In carrying out its duties each Recipient must act in accordance with principles of moral integrity and transparency, honesty and good faith.

DIGNITY AND EQUALITY

The Damiani Group treats all of its employees and associates according to the principles of equality, respect and dignity, and opposes and rejects all forms of direct and indirect discrimination based on sex, race, religion, physical or mental disability. The Damiani Group guarantees the proper treatment of every individual, and in particular strongly rejects any form of exploitation and deprivation of liberty. The Damiani Group requires and demands that each Recipient comply with the above rules.

Each Recipient recognizes and respects the personal dignity, privacy and individual rights of any person regarding both internal and external relations. Each Recipient shall work with men and women of different nationality, culture, religion, sexual orientation and race. No discrimination, sexual molestation or any offenses, either personal or of any other type, will be tolerated.

Authority of managers or of any other supervisory officials shall be exercised with fairness. The Damiani Group prohibits any conduct that offends the personal dignity and professionalism of the associates.

BUSINESS ETHICS

The Damiani Group carries out its business activities with efficiency and market openness, maintaining a position of fair competition with the other operators in its sector and abstaining from any conduct which is deceptive, abusive and damaging to its customers.

PROFESSIONALISM AND COOPERATIVE SPIRIT

Each Recipient shall carry out its activity with the professionalism required by the nature of the tasks and functions performed, and shall commit to achieving its goals, as well as assuming the responsibilities inherent to the nature of its own tasks and duties. Each Recipient shall diligently carry out any activities necessary to keep abreast of new requirements set by applicable laws. Damiani Group encourages reciprocal cooperation between the persons involved in the same project or productive process.

Therefore, each Recipient shall, contribute to the safeguard of reciprocal cooperation both in and outside of the workplace.

WORKPLACE SAFETY AND WORKERS' HEALTH

The Damiani Group promotes the safeguard of the workers' health, safety, and well-being. The Damiani Group makes any possible efforts in keeping itself abreast of the most recent legal developments regarding workers' health and workplace safety, and it aims at the constant improvement of the working conditions.

The Damiani Group continues and will continue to keep up with the observance of the applicable legislation regarding workplace safety.

RECORDS OF ACTIONS

Each Recipient shall keep the adequate documentation for each transaction in order to evaluate from time to time whether the transaction was duly authorized, properly executed, and recorded.

CONFIDENTIALITY

All the information obtained by the Recipients during their employment and cooperation with the Damiani Group is the property of the Damiani Group. "Information owned by the Group" is defined as follows:

- Personal data of Recipients and third parties, is all such information regarding a legal entity or an individual, whether identified or identifiable, or any other information, including the Tax ID or employer identification Number
- Confidential information refers to all of the information regarding the business activities of the Group that has not yet been published in the public domain and if published could prejudice Damiani S.p.A. or the Group. Such confidential information shall not be disclosed voluntarily or involuntarily without the previous consent in writing by the Damiani Group or by Damiani S.p.A. Confidential information includes, but is not limited to (i) the knowledge of a project, (ii) a proposal, (iii) a new venture, (iv) a negotiation, (v) a commitment, (vi) an agreement, (vii) a fact or an action, whether certain to occur in the future or not.

- The Damiani Group guarantees the Confidentiality of the information in its possession pursuant to the applicable laws and it requires all the Recipients to use such information solely for the purposes connected to the execution of their professional activities.

The Group is in compliance with the applicable laws that guarantee equitable access and transparency in the disclosure of confidential information without affecting the trading of securities.

TRANSPARENCY AND COMPLETENESS OF INFORMATION

The information disclosed by the Damiani Group is complete, transparent, understandable and accurate, and it enables third parties to make informed decisions while maintaining a relationship with the Group.

CONFLICTS OF INTEREST

In carrying out all its activities the Damiani Group works to avoid entering into positions of real or potential conflict of interest.

In the execution of their duties, the Recipients shall pursue the goals set by the Damiani Group and act in the best interests of the Group. Each Recipient shall inform without delay its superiors or persons of reference of (i) events where a conflict of interest might arise, or (ii) activities that are in conflict with those of the Damiani Group, or (iii) close relatives having a conflict of interest with the Group, and (iv) any other case where there are significant reasons to do so.

The Recipients shall respect the decisions taken by the companies of the Damiani Group regarding such matters.

RELATIONS WITH THE REGULATORY BODIES

The Damiani Group actively and truthfully cooperates with the competent Controlling and Regulatory Authorities of the countries in which it does business.

The Damiani Group satisfies all the legal obligations requiring that complete and transparent information be communicated to the competent Controlling and Regulatory Authorities. Moreover, the Damiani Group assures to do quick and objective evaluations.

SAFEGUARDING THE ENVIRONMENT

The Damiani Group is committed to protecting the environment. For this purpose its choices aim at the creation of harmony between the financial initiative and the environmental needs by respecting the applicable legislation and taking into account the developments in scientific research and the best practices regarding such matters.

RULES OF BEHAVIOR

RELATIONS WITH CUSTOMERS, SUPPLIERS, CONSULTANTS, ASSOCIATES, AGENTS AND BUSINESS PARTNERS

The Damiani Group maintains and develops its relations with customers, suppliers, consultants, associates, agents and business partners on the basis of trust, quality, competitiveness, professionalism and respect of the rules.

The following standards shall be satisfied by the parties mentioned above in order to do business with the Damiani Group:

- Respectable reputation. The Damiani Group shall only do business with such companies conducting a legitimate activity and whose ethical conduct is comparable to that of the Damiani Group. Prior to starting any business with new entities, the Damiani Group will obtain all available information and assess any potential risks connected to these parties;
- Transparency. Negotiations and Executions of agreements shall abide by the highest standards of transparency. The execution of agreements against the law and/or intended to disassemble the transfer of goods and services are not tolerated by the Damiani Group and will result in the immediate termination of the relationship;
- No improper influence. The Damiani Group shall not tolerate from its customers, suppliers, consultants, associates, agents and business partners any behavior that might improperly influence the decisions of the other party or a third party. The Damiani Group shall not tolerate from its customers, suppliers, consultants, associates, agents and business partners any offer, promise, directly or through intermediaries, money or other means of payment having the sole purpose to influence the performance of their duties, or those of third parties;
- These parties shall abstain from promising or paying money or any other benefits to (i) the directors, general managers, corporate financial managers, auditors or trustees of other entities, or (ii) to individuals subject to their control and supervision, so that the individuals under (i) and (ii) exercise or omit exercising acts that are required by law or infringe upon their duties of loyalty causing a prejudice to the entity for which they perform their duties.

With respect to the selection of the suppliers, consultants, associates and agents for the purchase of goods or services, the Damiani Group only takes into account objective standards of high quality, competitiveness, ability and efficiency, and aims at the development of a relationship of trust and mutual respect.

The Damiani Group will choose the suppliers most suitable for the job and who may contribute to protect the Group's image as well.

It is the policy of the Damiani Group to refrain from buying materials or products from countries or individuals involved in acts of war, terrorism, financing of terrorism, human trafficking and in the exploitation of child labor and it strongly condemns any such acts.

The Damiani Group expects and requires its customers, suppliers, consultants, associates, agents and business partners to operate in compliance with local and international laws and to comply with the above rules. Any behavior contrary to such principles may result in the termination of the relationship and the adoption of further measures provided for by law.

RELATIONS WITH INSTITUTIONS AND PUBLIC OFFICIALS

The relations of the Damiani Group with public officials, European Union and international institutions, as well as with public officials or persons in public service, or bodies, representatives, mandate holders, members, employees, consultants, or persons holding public functions or services of public institutions, public administrations, public and financial entities, or companies of local, national or international nature ("Public officials") shall be maintained by each Recipient assuring transparency and integrity, avoiding any behavior that can improperly influence the decisions of the other party.

The Damiani Group's relations with the above parties are limited to those regularly authorized functions, and shall respect the strict observance of the applicable legal and regulatory measures and cannot jeopardize the integrity and the reputation of the Damiani Group.

The Recipients promise not to offer or entice, either directly or through intermediaries, money or any other favors or acts, to public officials or persons entrusted with public service in order to influence their actions while carrying out their duties. This conduct is also prohibited when these offers or requests by Public Officials in violation of their position or powers are aimed at persuading the recipients to give or promise money or any other benefits.

These prohibitions cannot be avoided by making payments that appear to be a compensation for professional assignments, advice, advertising or any other act or service having the purpose prohibited above.

If appropriate to the image of the Group, the Damiani Group can support such programs of public entities or activities of foundations and private associations aimed at creating benefits to the general public.

In the event of civil, criminal or administrative proceedings, the Recipients shall not engage (directly or indirectly) in any action that could unduly favor or damage one of the other parties. In particular, the Damiani Group requires that the Recipients do NOT (i) obstruct justice, (ii) bribe witnesses, (iii) render false statements, (iv) assist another to escape investigations by the authorities and (v) avoid capture.

HUMAN RESOURCES

Each Recipient shall carry out his or her activities diligently and strictly observe all the safety and preventive measures that are laid down to avoid any possible risks to both themselves and their associates and colleagues.

Recipients are responsible to their associates and colleagues for the prevention of risks of injury. Recipients must follow the instructions and directives mandated by the Damiani Group or such other companies expressly delegated in writing by the Damiani Group to supervise compliance with the safety obligations.

The law does not permit, and the Damiani Group will not tolerate any form of harassment of employees by other employees, or by supervisors, management, clients or other third parties. Harassment means any form of abuse of authority by a superior, by means of verbal or physical intimidation or threat occurring once or repeated over time, or arising from individuals holding equivalent or inferior position. Any such conduct creating an intimidating, offensive, or hostile environment could result in corrective action.

“Mobbing”, as defined and modified from time to time by the Italian laws, is strictly prohibited.

The Damiani Group prohibits benefits such as (i) wage increase, (ii) position change, or (iii) any other rewards in exchange or in furtherance of acts that do not comply with the applicable laws, internal rules adopted by the Group, and other regulations.

No employee may be discharged, threatened with discharge, demoted, suspended, or in any manner discriminated and/or retaliated against in the terms and conditions of his or her employment for complaining of and/or informing his or her supervisor of the occurrence of the conduct prohibited in this paragraph.

Personnel shall be selected and hired according to the procedures in place at the Damiani Group, including, but not limited to (i) competency, (ii) previous professional experience, (iii) educational background, (iv) requirements needed for the job. During the selection, recruitment and management of the Damiani Group shall abide by all applicable laws and regulations as modified from time to time by the legislative governmental bodies, in particular such immigration laws referring to the hiring of foreign employees for definite or indefinite periods.

The recipients of this Code shall not hire and employ foreign workers who do not hold a valid visa to legally stay and work, or whose visa has been revoked, annulled, or has expired (and the renovation process has not yet started).

PRIVILEGED INFORMATION

All privileged information known to the Recipients by reason of their relationship with the Damiani Group shall not be disclosed by the Recipients, until and unless the Damiani Group agrees in writing to its disclosure.

In the event that the Damiani Group consents to the disclosure of confidential information, disclosure shall be limited in scope to such information that is necessary for the Recipients to conduct their business activity and maintain their relations with the Damiani Group.

The Recipients shall not communicate any information about acts, facts, events, persons or the business activity of the Damiani Group that is false or misleading, and shall refrain from all conduct which might be harmful to the reputation and products of the Damiani Group.

COMPANY COMMUNICATIONS AND BOOKKEEPING

The Damiani Group believes that accounting and book-keeping shall be based on principles of transparency, truthfulness, completeness, clarity, accuracy and conformity with the applicable legislation.

Each transaction shall be recorded and accompanied by adequate supporting documentation which facilitates accounting, the identification of suspicious transactions as well as liabilities.

The Financial Statements shall include the Income Statement, Balance Sheet or it shall clearly and completely highlight the financial condition of the Group and that of its related companies.

All the individuals, whether employees and/or consultants, including providers of data, who, for any reason are involved, directly or indirectly, in the process of drafting or preparing the financial statements or any other documents used for the preparation of the financial statements, as well in the preparation of tax statements and/or any other documents relevant for tax purposes, shall under no circumstances i) present, express, show or exhibit facts that are false, even if subject to further evaluation, and/or ii) omit information or conceal data that violates regulatory principles and/or internal procedures, so as to mislead the Recipients of the above mentioned documents.

USAGE OF COMPANY EQUIPMENT, MECHANISMS AND STRUCTURES

The Recipients shall not use the Group's equipment, products, IT resources, computers, phones, faxes and the like for (i) personal reasons unless authorized to do so in writing by the Damiani Group's management, (ii) to further an illegal purpose, (iii) to commit crimes, and (iv) to promote or participate in any form of discrimination or harassment.

The Damiani Group provides computer and network resources for business use only. Any unauthorized access to the computer systems of private or public third parties is forbidden. It is also forbidden to tamper in any way the operation of third parties' network resources or any

other programs contained in a computer or telecommunications system to obtain information or any other unfair advantages to the benefit of the Group or of other third parties.

It is strictly prohibited to use the Damiani Group-provided computer and network services for any of the following activities: (i) duplication of computer programs for profit, (ii) importation, distribution, sale or lease programs containing material not in compliance with the requirements of the Italian Society of Authors and Publishers (SIAE), (iii) facilitate the unauthorized removal of the safety device protecting a computer program and (iv) engaging in any other act or transaction that constitute an infringement of the copyright laws.

OTHER PROHIBITED CONDUCT

Recipients of this Code shall not promote, set up or organize associations or any other entities conducting illegal activities, included but not limited to the smuggling of narcotics or illegal substances, the infringement of taxation laws, crimes against the environment and other crimes punishable by the Italian laws.

That said, it is forbidden to each of the Recipients to promote, establish, organize or join associations, including foreign ones, to intimidate, threaten and/or use violence to acquire directly or indirectly the management or control of economic activities, licenses, authorizations, contracts and public services or to obtain unfair profits or advantages for themselves or others or to prevent or obstruct free elections or procure votes for themselves or others in the event of elections.

The recipients of Code of Ethics shall abstain from any acts, transactions, or behaviors that might constitute a crime, whether or not such crime is referred to in the Law n.231/2001.

RULES OF ENFORCEMENT

PENALTIES

The company's appointed control management shall apply uniform and proportionate penalties in the event of violations of this Code and shall comply with the applicable employment and labor laws.

Actions against employees, directors and associates of the Damiani Group arising from the violation of ethical principles and rules of conduct in this Code are those governed by the applicable Italian National Collective Labor Contracts (CCNL), as well as by the paragraph "Sistema Disciplinare (Disciplinary System)" of the "Modello di Organizzazione, Gestione e Controllo (Organizational, Management and Control Model) pursuant to the Law of 8 June 2001, number 231" herewith referred.

Any conduct infringing upon this Code, committed by consultants, associates, agents, suppliers and business partners of the Damiani Group who have a contractual, but not an employment relationship with the Group, and, in any case, not subject to the management or the vigilance committee, can result in the termination of the contract. The Damiani Group may demand payment of any damages suffered by the companies of the Damiani Group by reason of such conduct.

NOTICE OF THE CODE

The Damiani Group requests that all rules contained in this Code be strictly observed by the Recipients.

With the aid of the Vigilance Committee of each company of the Group, the Damiani Group provides the following activities:

- the distribution of the Code to the Recipients;
- the interpretation and explanation of the rules of the Code;
- the verification that the Code is actually observed;
- the amendment of the rules if needed from time to time.

Any third parties obtaining assignments by the companies of the Damiani Group, or having ongoing relations with the group, shall be informed about this Code

In order to guarantee compliance with this Code, the Damiani Group encourages those having knowledge of any illegal behavior within the companies of the Group to refer such behavior freely, directly and in confidence to their respective Vigilance Committee..

It is an obligation of each Recipient to communicate, without delay, any behavior or activity infringing upon the principles of this Code. The Damiani Group protects the identity of the informant, except that it may be disclosed to the Vigilance Committee to guarantee fulfillment of its duties. Moreover, the Damiani Group guarantees that the informant will not, be punished or subject to any form of retaliation, inconvenience and discrimination of any type, as a consequence of the informant's reporting of the breach of the contents of the Code.

ENTRY INTO FORCE AND COORDINATION WITH COMPANY PROCEDURES

This Code is adopted with a resolution passed by the Board of Directors of Damiani S.p.A. and of its subsidiaries and it shall take immediate effect.

The same Board of Directors will decide on any future amendments, if applicable.

This Code does not replace the existing company procedures and those adopted from time to time in the future which will be in effect as long as they do not conflict with this Code.