
LUNGARNO ALBERGHI S.R.L.

CODE OF ETHICS



Approved by resolution of the Board of Directors
on October 24, 2017

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CHAPTER 1

GENERAL PRINCIPLES

1. INTRODUCTION

The corporate purpose of Lungarno Alberghi S.r.l. (hereinafter the "Company") is the direct management of hotels, residences, restaurants and other tourist accommodation activities.

The Company aims to develop and maintain a relationship based on trust, with all individuals, groups and institutions whose contribution is necessary for the success of its business.

Therefore, in order to ensure that all business activities are carried out properly, all the said individuals and entities must strive to do their best and offer to the Company the cultural, operational, technical and ethical knowledge they possess.

In light of this, the Company has deemed appropriate to define a set of values and principles, as well as a set of rules and a code of conduct, that are considered to be crucial to its business operations.

The Company expects every said individual and entity to spontaneously acknowledge and adopt these principles and rules (included in this Code of Ethics). Furthermore, the Company expects the same attitude from everyone acting in its name, on its behalf and with which/whom it is in contact; this also includes those individuals and entities that are bound to the Company by a contract or who live in the staff quarters.

2. DESCRIPTION OF THE CODE OF ETHICS

The Code of Ethics defines a few principles and standards of conduct that are key to the Company's business activities, as well as the commitments and responsibilities of its employees.

The fundamental and binding principle at the core of the entire business activity of Lungarno Alberghi S.r.l. is the full respect of the laws and regulations in force in Italy, in the EU, as well as in all the foreign territories and countries in which the Company operates. As for all business activities carried out abroad, the Company shall prohibit all conducts and behaviours, which may be lawful under the provisions of the country in which such operations are carried out but, at the same time, inconsistent with the laws and regulations in force in Italy and/or the EU.

Aside from fully complying with all applicable laws and regulations, the Company strives to operate in a fully transparent, honest and professional way, in order to benefit all its shareholders and further the development of its human resources.

Given all of the above, the Code of Ethics provides information and guidelines to solve ethical and business issues. Specifically, the Company's pursuit of its own interests shall not justify the adoption of any conduct that is contrary to either the said principles or any applicable law and regulation.

Finally, the Code of Ethics provides general and therefore non-exhaustive guidelines about the conduct which all employees, collaborators, or simply those who deal with Lungarno Alberghi S.r.l. must respect.

All actions, operations and transactions related to the Company business must fully comply with the law, as well as respect the principles of fairness and fair competition. Furthermore, aside from being handled with the utmost honesty, thoroughness and transparency, they must be documented. The Company must fully collaborate with and respect public authorities, which will always be treated with the utmost transparency.

3. GENERAL PRINCIPLES

A) NON DISCRIMINATION

Both within its internal operations and those involving third parties, the Company shall not make any discrimination based on age, sex, race, ethnicity, nationality, health conditions, political opinions and religious beliefs.

B) PROBITY

While executing their job duties and tasks, all Company's employees, consultants, contractors, collaborators, suppliers, customers, and more generally anyone dealing with the Company, must know (as much as possible) and diligently comply with: all existing laws and regulations, international as well as EU and Italian industry regulations, the Code of Ethics and all internal regulations.

Under no circumstances may the pursuit of the Company's interests justify the non-compliance with the said laws, rules, regulations and Code.

C) CORPORATE COMMUNICATION

The Company believes it is its own duty to ensure that communication, both internal and external, is accurate and truthful, even in those cases that typically require full confidentiality and caution. Whenever any information is communicated or made available to others, it must be clear, transparent and, in any case, it must never cause damage of any kind.

D) TRANSPARENCY AND INTEGRITY OF INFORMATION

All collaborators, employees and consultants of the Company are required to give complete, transparent, clear and accurate information, as this will allow the Company to make independent and appropriate decisions in light of: the interests at hand, possible alternatives and any significant ensuing consequences.

In particular, whenever drawing up any contract, the Company shall clearly inform the other parties entering the contract about the behaviour that is expected of them in relation to all the envisaged circumstances.

E) DEVELOPMENT AND EMPOWERMENT OF HUMAN RESOURCES

The Company ensures that its personnel, collaborators and consultants are able to provide adequate levels of professionalism. The management and development of human resources is based on the respect for the personality, competence and professionalism of each individual within the whole Company.

Each individual must carry out his/her work with diligence, efficiency and fairness, using the tools and the time available in the best possible way and taking responsibility for the compliance with all regulations and requirements. All Company employees, even those that are not directly employed, must comply with the general rules of good behaviour, wear appropriate clothes for the duties and job assigned, never behave in ways that are contrary to any precept of religious nature and/or, in any case, that are not in line common and ordinary rules of good coexistence.

F) DUTIES OF EMPLOYEES

The Company expects from its employees an ethically irreproachable behaviour, as well as a lawful and professional conduct that strengthens mutual trust and consolidates the Company's image.

Therefore, all employees are required to:

- act with probity and integrity when dealing with each other, as well as with the shareholders of the Company, competitors, customers and, in general, with third parties;
- comply with the legal provisions of the sector in which the Company operates;
- avoid conflicts of interest with the Company and, in any case, avoid any behaviour that may lead to negative publicity for the Company.

G) PROBITY IN CASE OF POTENTIAL CONFLICTS OF INTEREST

As they carry out business operations for the Company, employees, collaborators and consultants must pursue the objectives and general interests of the Company.

Therefore, when conducting any activity and/or assignment, they must avoid any situation in which the parties involved are, or even only appear, to be in a conflict of interest. The scenarios that present a "conflict of interest", in addition to those defined by the law, are also those where an employee, collaborator, or consultant operates (as part of his/her business and/or assignment) for interests that are different from those of the Company and its shareholders, or if such scenario can potentially benefit him/her personally.

Given all the above, all employees, collaborators and consultants are required to avoid any situation and/or action that could cause a personal interest to interfere with the interests of the Company. The same requirement applies to scenarios in which the ability to make decisions in the interest of the Company can no longer be considered free of any interference or hindrance. All employees, collaborators and consultants must therefore reject any possibility of exploiting their role within the Company to favour personal and/or family interests.

Any situation entailing a conflict of interest (even indirect or potential), must be promptly reported to the appropriate authorities/bodies (eg. Supervisory Board, Company's legal representative, etc.) in order to allow an assessment both of its existence and seriousness, as well as to excluded or mitigate the resulting effects.

H) CONFIDENTIALITY AND PROHIBITION OF ABUSE OF CONFIDENTIAL INFORMATION

In accordance with the law, the Company ensures the confidentiality of the information in its possession. Employees, collaborators and consultants of the Company are expressly not allowed to disclose or use confidential information for purposes that are not related to their job/position.

It is also expressly forbidden to use or disclose to others confidential information or internal information about the Company itself, without a valid reason.

I) SAFEGUARD OF HEALTH

The physical and moral health of all employees, collaborators and consultants is of paramount importance to the Company, therefore, work conditions will always guarantee the dignity of all individuals. Furthermore, the workplace itself will always be safe for all individuals using it.

The Company considers the health of its staff and people of paramount importance. This also applies to its business activities and ECONOMIC INITIATIVES.

The Company firmly believes in the importance of fully complying with the legislation on health and safety at work, moreover, it strives to prevent the risk of occupational accidents and ensure proper safety and hygiene of all employees.

L) SAFEGUARD OF EMPLOYEES

The Company considers the safeguard of its employees of primary importance.

The Company rejects and opposes child labour and the exploitation of workers in general.

Each employee, collaborator or consultant of the Company, as part of his/her role must: be committed to fostering a work environment that is at the same time free of prejudice and respectful of both individual personalities and the safety of each worker; actively collaborate to maintain a working environment that guarantees the respect of everyone's dignity and health.

The relationship between the employees of the Company must be: based on civil coexistence; respectful of the rights and liberties of people, as well as of the fundamental principles that establish equal social dignity, without any discrimination on grounds of sex, race, language, nationality, religious belief, political and trade union membership, physical or psychological conditions.

The relationship between all employees, regardless of the levels of responsibility, must be based on the values of loyalty, fairness and mutual respect. Each manager and/or hotel/facility manager must exercise its powers with objectivity and balance, always seeking to enhance and empower its employees and collaborators. Each employee must show willingness to collaborate, as well as responsibility, efficiency and diligence in handling the assignments received.

M) SAFEGUARD OF OCCUPATIONAL SAFETY

The Company considers health and safety at work of primary importance.

The Company aims to keep all its operations/activities free of any occupational hazard, moreover, it assess and eliminates those risks that cannot be avoided, PREVIO INTERVENTO SULLE CONDIZIONI DI LAVORO, IN BASE ALL'ATTUALE EVOLUZIONE DELLA TECNICA, ED UNA PROGRAMMAZIONE DI SISTEMI DI PREVENZIONE DEGLI INFORTUNI ED INCIDENTI.

N) TRANSPARENCY AND RECORDING OF FINANCIAL OPERATIONS AND TRANSACTIONS

Each financial operation and transaction must be correctly recorded and authorized, as well as legitimate, consistent, appropriate and verifiable through a paper copy and/or IT tools. Furthermore, wherever possible, such operations and transactions must be traceable to the employee who carried them out.

All the actions and operations of the Company must be properly recorded and documented. In addition, such records must be kept in a way that allows future check of their decision-making process, authorisations and implementation.

All monetary transactions must be properly documented, recorded and stored.

CHAPTER 2

SCOPE OF APPLICATION

1. RECIPIENTS OF THE CODE OF ETHICS

The Code of Ethics applies to all shareholders, collaborators, employees, consultants and all other individuals or companies who act on behalf of the Company (even indirectly). All these individuals must therefore commit to observing and enforcing the content of this Code of Ethics within their respective roles and responsibilities, as well as during the performance of their work activities.

All the individuals mentioned above undertake to comply with the Code of Ethics upon accepting assignments, as well as to keep a conduct that is in line with the principles of fairness, impartiality, integrity and honesty. They shall in any case avoid any action or conduct that violates or even might lead to violation of the law, regulations or this Code of Ethics.

The relationship between the Company and its employees is based on trust and cooperation.

All employees shall ensure that the relationship with their colleagues is harmonious and avoid any behaviour inspired by animosity or conflict.

All employees must ensure that both their personal conduct and their use of the Company's assets is in line with the principles of fairness, cost-effectiveness, efficiency and effectiveness. All employees will dedicate to each activity and/or assignment the right amount of time and effort, EVITANDO ASSENZE O ALLONTANAMENTI INDEBITI.

When dealing with external individuals or entities, all employees must behave in such a way as to inspire trust and cooperation.

Furthermore, he/she shall display courtesy and willingness to communicate with the public, as well as give efficient and fast responses.

2. DISTRIBUTION OF THE CODE OF ETHICS

The Company is responsible for the implementation, distribution and knowledge of this Code of Ethics across all its departments and sites. A similar responsibility is bestowed upon all staff in charge of specific corporate areas/functions, as they are required to ensure that the staff operating within their area/function comply with this Code of Ethics.

The Company will identify the most effective way to distribute this Code of Ethics to its employees, collaborators, consultants and third parties.

3. CODE OF CONDUCT AND RULES

A) RELATIONSHIP BETWEEN EMPLOYEES

The relationship between all individuals working for the Company must be based on fairness, transparency, loyalty, clarity, as well as compliance with the law and regulations. In addition, everyone is expected to: show respect and tolerance for each other's roles and tasks; adopt a responsible and professional attitude; behave in a way that facilitates civil coexistence.

B) HIERARCHICAL RELATIONSHIPS WITHIN THE COMPANY

The relationship between individuals at different levels of responsibility within the Company must be based on honesty, fairness and respect of professional secrecy. All those responsible for specific activities and company departments must exercise the powers included in their mandate in a balanced way, respecting everyone's dignity. In turn, all staff of all departments or that are part of specific groups must show the utmost sense of cooperation to the leaders of both their own and other groups/departments, observing the guidelines and indications provided by their managers and the Company.

C) RELATIONS WITH PUBLIC INSTITUTIONS

The relations of the Company with national, European and international public institutions ("Institutions"), as well as with public officials and those tasked with public service duties (i.e. authorities, representatives, agents, spokespersons, members, employees, consultants, individuals tasked with public functions/services or working for public institutions, public administrations, public and economic bodies, for local/national/international bodies or companies), must be in line with local regulations and inspired by the general principles of fairness and loyalty. This shall

also apply to the individual Company's directors, employees, collaborators or consultants, regardless of their function or role.

D) TRANSPARENCY OF ACCOUNTS

The transparency and clarity of financial statements, reports and balance sheets is a cornerstone of the Company's relationship with its shareholders, third parties and supervisory boards.

For this to be fully respected, all basic information and records of transactions must be complete, truthful, accurate and verifiable. Therefore, each employee is required to ensure that all company operations are recorded correctly and promptly in the Company's financial accounts, keeping all supporting documents of each transaction.

E) CORPORATE COMMUNICATION

To prevent the spread of erroneous news and information about the Company and/or the occurrence of situations involving any kind of liability, all communication from the Company must be accurate, clear and truthful, in addition, it must be made in a way that clearly both shows the Company's policies and encourages their consent, programmes and projects.

Particular attention must be paid when sending out company documents, news and information regarding events occurring within the Company itself but that are not of public domain.

In particular, the communication of information to the public must be managed by the departments tasked to do so.

Any contact with mass media should be conducted in compliance with the rules about relations (already outlined), which provide guidelines for dealing with public institutions and, in any case, to safeguard the image of the Company.

F) CONFIDENTIAL INFORMATION

Access to information and confidential documents, personal data of employees and suppliers, the company know-how and technological processes must always be adequately kept and protected from third parties and colleagues that are not directly involved with them. All individuals who, for work reasons, may have access to the said information and documents must treat them according to the instructions and procedures established by the Company.

At all times and, in particular, upon concluding and executing contracts, all the aforesaid documents and information must be handled with the utmost confidentiality toward third parties, the press, and all individuals who are not authorized to receive them.

DEALING WITH CUSTOMERS AND SUPPLIERS

The selection of suppliers and purchases of goods/services must be: compliant with the principles of this Code of Ethics, in writing, in line with company procedures and the department's standards.

In any case, such selection must be based exclusively on objective parameters such as quality, convenience, ability and efficiency. It is forbidden to give suppliers and customers: gifts, benefits, extra performances of any other kind (either direct or indirect), gratuities, acts of courtesy and hospitality, unless based on principles and values that do not compromise the image of the Company, nor can be interpreted as aimed at obtaining favourable treatments. Such prohibition is not extended to scenarios in which the said actions can be deemed as part of common practice within the industry.

H) SAFEGUARD OF THE COMPANY ASSETS

All employees must protect the Company's assets, in particular, those assets and equipment provided by the Company for the execution of their duties and/or tasks.

All employees are required to use the Company premises in a diligent and responsible way; this also includes ensuring that the work activities carried out are in line with the intended use of the company buildings/facilities.

All employees, while conducting their work activities, must also fully respect all ethical and moral principles and rules, as well as conform to the rules of morality and mutual coexistence.

All employees and collaborators of the Company, as well as those working for any other entity that is either part of the same corporation or that is in contact with the Company's business activities, must refrain from engaging in any behaviour that could be in conflict with any religious faith. The documents regarding the Company's activities, equipment and all other assets, (both tangible and intangible) must be used exclusively for the pursuit of the Company's corporate purposes and according to its established procedures.

They cannot be used for personal reasons, or be transferred or made available, even temporarily, to third parties.

I) PERSONAL CARE AND CLOTHING

All employees are required to look after their appearance when: in direct contact with the guests; operating in areas reserved to staff; whenever in scenarios that can be associated with Lungarno Alberghi S.r.l..

All employees, when on duty, must: comply with the Company's grooming procedures and the rules on public decency; wear the uniform provided by the Company or clothing that does not conflict with either the Company's image and brand or the style and prestige of its buildings and areas.



CHAPTER 3 PROVISIONS FOR IMPLEMENTATION

1. DISCIPLINARY ACTIONS AND PENALTIES

In any case of violation of the principles contained in this Code of Ethics and if necessary to protect the Company's interests (while remaining compliant with the law and the collective bargaining agreements), the Company will assess the need to take any measure against the infringer, including disciplinary actions and penalties which will be in proportion with the gravity of the violation. In the latter case and depending on the gravity of the violation, sanctions may also be followed by additional requests for compensation to the Company.

All the above actions must still ensure confidentiality of the relevant information and indications, unless specified by the law and/or specific legal provisions.

2. REPORTING IN CASE OF INFRINGEMENT OF PROVISIONS OF CODE OF ETHICS

In order to ensure the effectiveness of this Code of Ethics, the Company provides information channels that can be used by anybody to report (also privately or indirectly) any illicit behaviour within the Company.

All employees must report immediately any behaviour (also of third parties) that does not comply with the principles of this Code. The Company guarantees that the identity of the person reporting the said behaviour shall not be disclosed, in addition, it guarantees that such individual shall not be subject to any resulting retaliation, illegal conditioning, hardship and discrimination of any kind in the workplace.

3. PENALTIES

Non-compliance and/or violation of the code of conduct included in this Code of Ethics shall constitute a breach of the obligations arising from the employment relationship and, therefore, shall result in the application of penalties.

The penalties meted out shall respect the law and the collective bargaining agreements. The penalties shall be chosen after careful scrutiny of the specific case at hand and, in any case, they shall be in proportion to the gravity of the case. The verification of the said violations/non compliances, as well as the management of the penalties and sanctions will be the responsibility of the Company's assigned or delegated bodies and individuals.

Any behaviour of employees, collaborators or third parties (also those bound to the Company by a contract but not working directly for the Company) found to be in violation of this Code of Ethics, may determine, in cases of greater gravity,

termination of the contract, without prejudice to any future claim for compensation if said behaviour causes damage to the Company.

4. FINAL PROVISIONS

This Code of Ethics has been approved by the Company's board of directors, which shall determine the terms and conditions of its distribution.

Any change and/or integration to it will be approved by the Company's board of directors, which shall communicate it to whom it may concern in a timely fashion.