



# CARRI GROUP

## **CARRI GROUP CG – Code of Conduct**

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# **CARRI GROUP CG – Code of Conduct**

**CREATIVITY, ENTREPRENEURSHIP, INNOVATION.**

**INTEGRITY OF PASSION.**

**We value honesty, integrity, accountability and diversity. We protect our physical assets and workplaces.**

**(Excerpt from CARRI GROUP PRIVATE LIMITED COMPANY Values Statement)**

## **Responsibilities of Managers and Employees**

All members of the CARRI GROUP CG Management Group and other managers shall be responsible for the global enforcement of and compliance with this Code of Conduct including necessary distribution to ensure employee knowledge and compliance. The supervising board or other governing body of each affiliate company shall formally adopt this Code of Conduct as its own corporate policy binding on all directors, officers and employees of the affiliate company.

Every member of CARRI GROUP CG Management Group will be required to periodically certify compliance with this Policy. Any false certification – even if directed by a supervisor – will be dealt with severely.

All employees are responsible for complying with this policy. Any employee having information concerning any prohibited or unlawful act shall promptly report such matter to the General Counsel & Secretary to the Board. While this is the preferred reporting procedure, employees should also feel free to report to anyone in line management, including any member of CARRI GROUP CG management team. It could also be appropriate to contact the Risk, Audit & Finance Committee (RAFC) of the Supervising Board through its Chairman. Employees can write to any of these individuals anonymously at the Company's Headquarters, 12th Gonzalo Barrachina C.P. 03800 Alcoy Alicante Spain.

Employees should be advised of this reporting obligation and encouraged to report any non-compliant or unlawful activities of which they are aware. There will be no reprisals for reporting such information honestly and in good faith and employees should be so advised.

The Corporate Risk, Audit & Finance Committee will have audit programs with procedures to assist in monitoring compliance with this Code of Conduct. The outside auditors will also be particularly sensitive to all employees' compliance with this Conduct of conduct. All employees are expected to provide full assistance and disclosure to both the internal and external auditors in connection with any review of compliance with this Code of Conduct.

All CARRI GROUP CG employees are required to comply with the standards set out within this Code of Conduct. Where a violation has taken place, appropriate disciplinary action will be taken, up to and including dismissal.

### **Signatures and Acknowledgement**

All existing and new employees must sign an acknowledgement confirming that they have read the Code of Conduct and agree to abide by its provisions. All employees will be required to make similar acknowledgements on a periodic basis. Failure to read the Code of Conduct or sign an acknowledgement will not excuse anyone from compliance with the Code of Conduct.

Adopted by the Supervising Board of CARRI GROUP CG: 16 January 2017

## **The “Seven-Questions-Rule”**

This Code of Conduct cannot describe every situation you may encounter in your day-to-day business. If you are unsure or in case of concern in any given situation, the following questions might help:

1. Is it legal?
2. Is it ethical?
3. Is it in line with CARRI GROUP CG Vision & Values?
4. Am I setting a good example?
5. Would I be comfortable explaining my actions to colleagues, family and friends?
6. Would I or CARRI GROUP CG be comfortable if others read about my actions in the media?
7. Have I consulted my colleagues who have knowledge of this topic to help me make an informed decision?

## **Conflicts of Interest**

Every employee has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divide his or her loyalty to the Company. Any activity which even appears to present such a conflict of interest must be avoided or terminated unless - after disclosure to the appropriate level of management - it is determined that the activity is not harmful to the Company or otherwise improper. A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute an improper conflict of interest:

- Ownership of or an interest in a competitor or in a business with which the Company has or is contemplating a relationship (such as a supplier, customer, landlord, distributor, licensee/licensor, etc.), either directly or indirectly, such as through family members;
- Profiting, or assisting others to profit, from confidential information or business opportunities that are available because of employment by the Company;
- Providing service to a competitor or a proposed or present supplier or customer as an employee, director, officer, partner, agent or consultant;
- Soliciting or accepting gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company. Social amenities customarily associated with legitimate business relationships are permissible. These include the usual forms of entertainment such as lunches or dinners as well as occasional gifts of modest value. While it is difficult to define “customary,” “modest” or “usual” by stating a specific amount, common sense should dictate what would be considered extravagant or excessive. If a disinterested third party would be likely to infer that it affected your judgment, then it is too much. All of our business dealings must be on arm’s-length terms and free of any favourable treatment resulting from the personal interest of our employees. Loans to employees from financial institutions, which do business with the Company, are permissible as long as the loans are made on prevailing terms and conditions;
- Influencing or attempting to influence any business transaction between the Company and another entity in which an employee has a direct or indirect financial interest or acts as a director, officer, employee, partner, agent or consultant;
- Buying or selling securities of any other company using non-public information obtained in the performance of an employee’s duties, or providing such information so obtained to others.

## **Disclosure is the Key**

Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of one should disclose the pertinent details, preferably in writing, to his or her supervisor and member of CARRI GROUP CG Management Group. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision. Each Member of the Management Group, local General Manager and Managing Director is responsible for advising the CEO of CARRI GROUP CG in writing, of all disclosures and decisions made under this Code of Conduct. The General Counsel should be consulted for advice as necessary.

To summarize, each employee is obligated to disclose his or her own conflict or any appearance of a conflict of interest. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Company. But all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through the process described in this paragraph.

## **Compliance with Laws and Regulations**

The luxury industry is subject to extensive governmental regulation throughout the world. The marketing and sale of different categories and especially the Art and Wines & Spirits and other luxury products is particularly heavily regulated, but many other aspects of our business are also covered by statutes and regulations.

Consistent with our Value Statement, it is the policy of CARRI GROUP CG to comply with the laws of each country in which our business units and affiliate companies do business.

It is the responsibility of each business unit, corporate center and the company's management and employees to be familiar with the laws and regulations, which relate to their business responsibilities and to comply with them.

The Legal Department of CARRI GROUP CG conducts periodic programs to help our companies and employees understand and comply with applicable laws and regulations and is available to your business unit, corporate center or affiliate company for this purpose. Additionally, the Legal Department is always available for consultation on the laws, which relate to our businesses around the world. However, it is the responsibility of each business unit's, corporate center's and affiliate company's management to ensure compliance with applicable laws.

If an employee has any question whether a transaction or course of conduct complies with applicable statutes or regulations, it is the responsibility of that employee to obtain legal advice from the Legal

Department and act in accordance with that advice. It is the responsibility of each business unit's, corporate center's and affiliate company's management to ensure that employees are aware of their responsibilities in this regard.

Set forth below are several areas of regulated business activity that require particular attention.

## **Antitrust and Competition Laws**

It is the policy of CARRI GROUP CG to comply with the antitrust and competition laws of each country in which our companies do business. No employee of the Company shall engage in anti-competitive conduct in violation of any such antitrust or competition law.

Moreover, no employee shall take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts or other unfair-dealing practice.

Violating competition laws can result in litigation, high fines and can also severely damage the company's reputation. In addition, individuals who are found to have been involved in the most serious types of anti-competitive activities can be imprisoned.

## **Agreements/Contact with Competitors**

Competition laws around the world prohibit certain types of agreements, or seeking to reach such agreements, with competitors. Indeed, such agreements with competitors involve the greatest potential competition risk. As a result, competition authorities often treat any arrangements between competitors with suspicion. As a responsible company, we must operate and compete independently of our competitors and this should be apparent from all of our dealings.

### **Subject to applicable laws, we must not:**

- fix or signal, either directly or indirectly, a willingness to agree prices, discounts or other terms of trade with competitors, including setting minimum or maximum prices, stabilising, altering or co-ordinating prices;
- agree with competitors the quality or quantity of products that are to be produced for or supplied into a particular market or customer group;
- engage in any form of bid rigging;
- agree with competitors to boycott a supplier, customer or distributor;
- agree with competitors to divide up markets, customers or product categories;

Note: This draft has been inspired by and borrows from different Policy on Business Conduct (structure and content) and by CARRI GROUP PRIVATE LIMITED COMPANY - CARRI GROUP CG Code of Conduct (content).



- discuss or exchange commercially sensitive information with competitors including customer and product information;
- Communications or agreements, whether formal or informal, such as those detailed above, made through an intermediary or third party, are also likely to be illegal.

### **Trade Associations**

Any Trade association meeting with competitors can be an appropriate forum to discuss and consider industry issues such as regulatory issues or measures to fight illicit trade. However, trade association meetings must never be used as a forum to discuss or exchange any commercial or sensitive information.

### **Anti-competitive agreements can also occur when managing relationships with third parties, for example customers or distributors. Subject to applicable laws, we must not:**

- impose or agree fixed or minimum resale prices with customers or distributors or dictate their profit margin or the maximum level of discount they can offer;
- restrict the territories or customer groups into which our customers or distributors can resell our products without proper and compelling justification.

### **Information Gathering**

Gathering, analysing and using data and market information is a legitimate competitive tool. However, we must be careful when we are gathering information about our competitors. Legitimate sources of information include: the media; the internet and company websites; reputable industry surveys; annual reports; public speeches of company executives; publically available filings with government agencies; collecting data at point of sale through use of Company supplied electronic equipment and talking with customers, but not with the specific purpose of obtaining confidential information.

### **We must:**

- understand what competitive information we can gather and how we may use it;
- ensure that our own competitive information is not disclosed either directly or indirectly to competitors.

### **Subject to applicable laws, we must not:**

- attempt to gain access to information regarding a competitor's business by illegal or inappropriate methods, including:
  - engaging in industrial espionage or undercover surveillance to access information which is not publicly available;

- hiring competitors' employees for the purpose of obtaining confidential or commercially sensitive information;
- approaching competitors' customers or employees to obtain confidential information;
- adopt any other method of gaining information which may be considered either inappropriate or illegal;
- accept, disclose or use information that we know or have reason to believe was confidentially disclosed to us in violation of a general obligation of confidentiality or a confidentiality agreement between a third party and one of our competitors, for example information about a competitor's proposal when involved in a negotiation process.

**Luxury Control Compliance; Approval, Manufacture, Sales and Marketing of CARRI GROUP CG Products & Category's Accessories**

No aspect of our business is more subject to governmental regulation than the development, manufacture, approval, sales and marketing of Art, Wines & Spirits and Beauty MD Medical Devices products. Because of the complex nature of many of these regulations, management must take particular care to ensure appropriate employees are aware of regulatory requirements and take necessary steps to comply with them.

**Some of Our business is subject to specific advertising and marketing requirements based on law, industry codes and voluntary agreements. Wherever we operate we must apply these standards at all times.**

We must also ensure that all agencies or other parties, engaged to support our marketing or promotional activities, are contractually required to comply with all applicable laws and regulations. All operating environments and markets must have defined procedures in place to ensure compliance with applicable laws and regulations.

**We must:**

- Ensure that all our categories of sensitive regulatory products, manufactured or distributed by us, have clearly visible warnings;
- always respect local cultures, practices and traditions which exist in our market;
- illustrate and describe our products in a fair and honest way that will not mislead consumers;
- ensure all claims we make are true and can be substantiated.

**We must not:**

- advertise or market some our categories or products to those less than 18 years old, or the local minimum age, whichever is higher. This includes the use of images or other content, which could be perceived as being attractive to minors.

**International Sanctions and Trade Restrictions**

**We must understand and comply with all international sanctions and trade restrictions.**

The United Nations, the European Union and many individual countries impose strict controls on exporting to and trading with specific countries, individuals and businesses. Although sanctions can vary between countries they generally include restrictions or bans on:

- importing products from a sanctioned country;
- exporting products to a sanctioned country;
- moving products through a non-sanctioned country to a sanctioned country;
- financial transactions and activities involving a sanctioned country or individuals and businesses in those countries;
- new investments in a sanctioned country;
- travelling to or from a sanctioned country.

Restrictions may also require us to obtain an export license for specific products. United States sanctions are particularly strict and require not only US citizens and residents but also people physically located in the US not to engage in any activities that involve certain sanctioned countries, including Cuba and Syria. US citizens and those of us travelling in the United States must understand and fully comply with these sanctions as they even prohibit telephone calls or emails dealing with conducting business in those countries.

**We must:**

- understand what sanctions and trade restrictions may be relevant to our roles and responsibilities;
- comply with all sanctions and trade restrictions.

**We must not:**

- accept or ignore any suspicion that international sanctions or trade restrictions are in any way being violated.

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## **Environmental Laws and Regulations**

CARRI GROUP CG is committed to conducting its business in an environmentally sound manner. In addition to carrying out the corporate-wide programs the Company has initiated, management and employees are required to be familiar with environmental laws and regulations which relate to their employment responsibilities and to comply with them. This includes ensuring that reports on environmental matters filed with government agencies or required by law to be published are complete and accurate.

## **Employment and Labour Laws and Policies**

Our most important resource is our employees "TALENTS". All employment must be in compliance with all applicable laws and regulations, including those concerning hours, compensation, opportunity, human rights and working conditions.

CARRI GROUP PRIVATE LIMITED COMPANY strictly prohibits discrimination or harassment against any employee because of the individual's race, colour, religion, gender, sexual orientation, national origin, age, disability, veteran status or any status protected by law.

It is the policy of CARRI GROUP PRIVATE LIMITED COMPANY that all employees work in a clean, orderly and safe environment. In the interest of maintaining a safe and healthy workplace, the Company requires full compliance with applicable workplace safety and industrial hygiene standards mandated by law.

Company policy also prohibits the use of any forced or compulsory labor in the manufacture of any product, or any component of a product, by or for any of our businesses.

## **Political Activities and Contributions**

The Company encourages employees to be involved personally in political affairs. However, no employee shall directly or indirectly use or contribute funds or assets of the Company for or to any political party, candidate or campaign unless such a use or contribution is an accepted practice and lawful in the country involved and is approved by the appropriate Member of CARRI GROUP CG Management Group.

## **Respect for Trade Secrets and Confidential Information**

It is the policy of CARRI GROUP CG to respect the trade secrets and proprietary information of others. Although information obtained from the public domain is a legitimate source of competitive information, a trade secret obtained through improper means is not.

If a competitor's trade secrets or proprietary information are offered to an employee in a suspicious manner, or if an employee has any question about the legitimacy of the use or acquisition of competitive information, the Legal Department should be contacted immediately. No action regarding such information should be taken before consultation with the Legal Department.

Employees shall maintain the confidentiality of any non-public information learned in the performance of their duties, except when disclosure is authorized or legally mandated.

## **Use of Company Funds, Assets and Information**

Sales of the Company's products and services, and purchases of products and services of suppliers, shall be made solely on the basis of quality, price and service, and never on the basis of giving or receiving payments, gifts, entertainment or favours.

All employees shall protect the Company's funds, assets and information. No employee shall use Company funds, assets or information, or opportunities that arise in the course of his or her employment, to pursue personal opportunities or gain.

No Company funds, assets or information shall be used for any unlawful purpose. No employee shall purchase privileges or special benefits through payment of bribes, illegal political contributions, or other illicit payments or otherwise give anything of value to a government official in order to influence inappropriately any act or decision on the part of the official.

All employees shall use the Company's IT facilities – hardware, software, networks and the information that runs on them – responsibly and for legitimate business purposes only. Employees must protect the security of computer systems, especially by protecting information used to access

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Company networks. Beware that e-mails are business records and could end up in court as evidence, or otherwise become public.

No company information is conveyed to the outside world – in particular to regulators or the media – unless it is authorised. Enquiries must be referred to Corporate Communications or Legal Department. Official communication has to be thoughtful, professional and lawful.

### **Complete and Accurate Books and Records; Second-Country Payments**

No undisclosed or unrecorded fund or asset shall be established for any purpose.

No false or artificial entries shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in such a prohibited act, even if directed to do so by a supervisor.

No payment shall be approved or made with the agreement or understanding that any part of such payment is to be used for any purpose other than that described by documents supporting the payment.

No payments of any kind (whether commissions, promotional expenses, personal expenses, free goods or whatever) shall be made to an unaffiliated distributor or sales agent (or employee or agent thereof) in any country other than that in which the sales were made or in which the distributor or sales agent has a substantial place of business. Such payments (sometime referred to as “second-country” payments) may be made to other entities such as suppliers of goods and services provided:

- The laws of any involved country permit the payment and receipt of such “off-shore” funds, as determined in advance of any commitment by competent local legal counsel in collaboration with CARRI GROUP’s Legal Department;
- The transaction complies in all other respects with this Code of Conduct, and
- The arrangements are set forth in a letter of understanding between our Company and the outside entity, and these letters are available for review by our internal and outside auditors.

All heads of our business units, corporate centers and all Presidents and Managing Directors of our companies have the primary responsibility to devise, establish and maintain an effective system of internal accounting controls, and to demonstrate that such controls have been appraised and documented.

## **Discrimination and Harassment**

**We must all play our part in maintaining a workplace that is fair, respectful and free of any form of harassment, discrimination or any other demeaning behaviour.**

Any behaviour or action likely to violate this principle, and in particular any form of harassment or bullying, is not acceptable and must not be tolerated. We must ensure that none of our colleagues are subjected to any undesirable actions or behaviour because of their age, race, origin, gender, sexual orientation, disability, political view, religion, marital status or physical or mental health. Other unacceptable behaviours include insults of an offensive or potentially offensive nature including those of a racial, ethnic, religious, political or sexual nature, distributing or displaying offensive materials, and using voicemail, email or other electronic devices to communicate insulting or discriminatory information. We also have a responsibility to deliver the Company's commitment to ensuring we provide an equal opportunities work environment where jobs are filled by the most suitable candidate and everyone is rewarded fairly based on their skills, attitude, ability, experience, qualifications and performance.

## **A Healthy and Safe Work Environment**

**We must behave in a manner that promotes a positive Health and Safety culture and challenge unacceptable or potentially dangerous behaviour.**

### **We must:**

- conduct our operations in compliance with local Health and Safety laws;
- understand the hazards, risks and control measures of our own activities and environment;
- know what to do in an emergency situation and test our understanding;
- proactively consider our own health and safety and that of colleagues and others;
- integrate health and safety considerations into our daily work activities;
- report all accidents, incidents, near misses and breaches of Occupational Health and Safety compliance to your supervisor.

### **We must not:**

- accept or ignore any suspected poor health and safety practices.

## **Corporate Social Responsibility (CSR) and Human Rights**

**We must uphold, promote and protect the principles set out in the Universal Declaration of Human Rights and the International Labour Organization's core conventions and ensure we do not, directly or indirectly, contribute to any human rights abuses. We must work towards the elimination of any abuse in human rights, which may exist in the labour market, particularly if they are established to be in any way connected to our business or supply chain.**

### **We must:**

- look for evidence of actual or potential non-compliance, particularly in geographies where it is known or believed that child labour or forced labour issues exist, and to work in partnership with others to challenge these issues;
- support, guide and work with others such as interest groups and Governments to assist them in their efforts to eliminate human rights abuses;
- work with our suppliers, licensees, agents and joint ventures to encourage and support their implementation of minimum age/forced labour standards;
- encourage everyone who either directly or indirectly works with us to comply with our standards;

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- protect the right of all employees to allow freedom of thought, conscience and religion as well as the freedom of opinion and expression as described in the Discrimination and Harassment section of the Code of Conduct;
- respect the rights of all employees against any violation of their right to equal protection against discrimination as described in the Discrimination and Harassment section of the Code of Conduct;
- respect and protect an employees' personal data and privacy based on the Company's commitment to adhere to privacy rights of its employees. Access to personal records should be limited to company personnel with appropriate authorization and a clear need for that information. Such employees treat this personal information appropriately and confidentially.

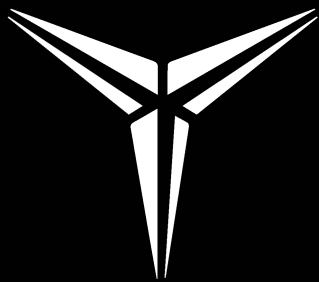
**We must not:**

- employ any person less than fifteen years old, or the local environment minimum employment age, or mandatory school age, whichever is higher;
- allow or make any distinction against any employee on the basis of their political, religious or jurisdictional status of the country or territory to which they belong, where necessary ensuring that valid working permits are in force for those working outside their country of nationality;
- condone any discrimination arising from an employee's right to freely participate in their community culture;
- provide personal employee information to anyone outside of the company without proper authorization.

BEAUTIFUL MINDS  
INSPIRE OTHERS

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