

**NATUZZI**  
CODE OF ETHICS





**PASQUALE NATUZZI**  
Founder and President  
of the Natuzzi Group

The Natuzzi Group mission is to create value with integrity, for clients, employees and shareholders. Creating value with integrity means acting honestly, frankly and transparently, with respect for other people. This implies above all full compliance with the law and a strong sense of responsibility towards the Company and all people involved. It is for this reason that we have devised the following Code of Ethics, which is not simply a list of rules to be followed and theories to be applied, but an actual tool for the workplace, a real frame of reference for all those who have dealings with Natuzzi.

A handwritten signature in black ink, reading "Raquel Natuzzi". The signature is written in a cursive style with a large initial "R".

Raquel Natuzzi

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## 1. CORPORATE ETHICAL GUARANTOR |

To highlight the importance of integrity in the corporate organization and to encourage people to abide by the regulations contained in the Code of Ethics, the Natuzzi Group has created the Corporate Ethical Guarantor whose role it will be to:

- **coordinate all initiatives aimed at applying the Code of Ethics;**
- **call attention to updates made to the Code of Ethics;**
- **coordinate checks and propose appropriate measures when irregularities occur;**
- **constantly monitor that the Code of Ethics is being applied correctly.**

The Code of Ethics' regulations apply to everyone, without exception, irrespective of position or hierarchical level, and violation of these regulations will mean that the relative measures will be taken.

## **2. RESPECT FOR THE LAW AND FOR THE MEASURES LAID DOWN IN THE CODE OF ETHICS |**

Every Natuzzi employee must respect this Code of Ethics along with the laws and the regulations in force in the countries where the company operates. This obligation also applies to consultants, suppliers and clients.

Any Natuzzi employee who has good reason to believe that acts or behavior that violate the law or the measures laid down in the Natuzzi Code of Ethics are taking place or are about to take place is bound to report such violations in the manner explained below (see paragraph 10).

### 3. WE ACT IN THE NAME OF INTEGRITY |

In line with its mission the Natuzzi Group undertakes to act honestly, frankly, transparently and respectfully towards its clients, suppliers, employees and shareholders.

#### OUR COMPANY AND OUR CLIENTS

Acting “with integrity” towards our clients means making them loyal to us by exclusively leveraging the quality of our products and services and our capacity to be competitive and reliable as far as the promises and commitments we have made are concerned. Employees may not untruthfully or fraudulently mislead or misinform clients with regards to products or services on offer.

Employees responsible for invoicing clients are bound to enter the exact cost of the products or services purchased. Employees cannot offer clients benefits, rewards or incentives that violate the law and our commercial policies.

#### OUR COMPANY AND OUR SUPPLIERS

Acting “with integrity” towards our suppliers means that employees who are responsible for choosing a supplier for the purchase (or rental) of goods or services evaluate offers objectively. We choose to deal with our suppliers exclusively on the basis of quality, price and reliability.

Natuzzi employees must not give the impression that their judgment may be influenced or compromised nor may they accept or seek to obtain from an actual or potential supplier benefits that conflict with the criteria mentioned above.

## OUR COMPANY AND OUR EMPLOYEES

Acting “with integrity” towards our employees means recognizing that they are our most precious resource. The Natuzzi Group values the contribution of each individual employee on merit and undertakes to treat every one of them with due respect, by:

- **maintaining the privacy of employees' documents and information, in compliance with privacy laws;**
- **creating a working environment that is free from any form of discrimination due to race, ethnicity, sex, political or religious belief, age, or sexual orientation;**
- **giving equal opportunities to all employees in terms of employment, remuneration, training, promotion and other working conditions;**
- **always hiring people in conformity with all the applicable employment laws;**
- **not tolerating harassment or letting harassment of any type go unpunished including verbal or physical behavior that constitutes humiliation for or a threat to any employee.**

Furthermore the Natuzzi Group undertakes to provide a safe and pleasant working environment.

To achieve this each person is bound to observe the health and safety regulations. Employees must be aware of the safety procedures to be

adhered to when carrying out their work, by means of appropriate training and by internal communication campaigns.

#### OUR COMPANY AND OUR SHAREHOLDERS

Acting “with integrity” towards our shareholders means being aware of the great responsibility that derives from the trust that has been placed in us. This responsibility also forces us - together with a business approach that is irreproachable and law abiding - to always remain transparent, timely and exhaustive in providing information.

#### OUR COMPANY AND THE STOCK MARKET

The Natuzzi Group, and particularly its holding Natuzzi S.p.A., keeps constant relations with investors, banks, financial institutions in Italy and abroad.

Such relations are based upon transparency, clear communication and plans, mutual respect, and compliance with the law and regulations. For these reasons, the Natuzzi Group's Boards of Directors abstain from any action or behavior that could in any way hinder the capital stock's integrity as well as its creditors' guarantees.

The Group is likewise committed to prevent the spreading of false corporate messages that could be of detriment to shareholders, the public or creditors.

In particular, the Group endeavors to avoid that inaccurate information is circulated and that data or facts to be made public in compliance with the law in force in those markets where Natuzzi is listed on, are fraudulently absconded.

Creating value with integrity also for the investors implies an absolute ban on employees and Boards members from spreading misleading information or from acting act with the intent of altering Natuzzi's stock value. In addition, they are forbidden to utilize undisclosed data with the aim of speculating Natuzzi stock to their or other's advantage.

#### **4. PERSONAL INTERESTS MUST NOT INTERFERE WITH THE INTERESTS OF THE COMPANY: SITUATIONS THAT CAUSE A CONFLICT OF INTERESTS MUST BE AVOIDED |**

Whenever personal and private interests interfere with corporate interests an unacceptable conflict of interests arises. Every Natuzzi employee must abstain from relationships that may cause or give the impression of causing a conflict of interests. There are several ways a conflict of interests may arise, below is a list of the most frequent cases.

##### **EXTERNAL JOBS AND OFFERS OF WORK**

Natuzzi employees must not carry out any consultancy activities, or accept remuneration of any nature in exchange for professional services effected for competitors, clients and suppliers. Consultants and Board of Directors members must inform the Natuzzi Group Ethical Guarantor of their existing or potential consultancy activities carried out for competitors, clients or suppliers, as well as of any possible conflict of interest that may arise.

##### **FINANCIAL INVESTMENTS IN COMPANIES**

Employees, consultants and members of the Natuzzi Group Board of Directors cannot have either direct or indirect financial interests in competing companies, clients or suppliers, except in companies quoted on the stock market and therefore subject to the laws that regulate insider trading.

#### USE OF COMPANY TIME AND PROPERTY FOR PERSONAL BENEFIT

It is not permitted to carry out a job that is not related to the company or to try to find one in company offices or in work time. Furthermore it is not permitted to use any company property (including equipment, telephones, materials, resources or private information) for personal use, unless formally authorized by the company in writing.

#### PRESENTS, INVITATIONS TO DINNER AND TO OTHER ACTIVITIES

It is forbidden for all Natuzzi Group employees to accept the following from clients or suppliers:

- **any type of present (other than gifts of an appropriate nature of symbolic value), in the form of:**
  - **goods;**
  - **services;**
  - **work;**
  - **travel/trips.**
  
- **any type of personal gain in the form of:**
  - **discounts on the purchase of goods/services;**
  - **any other form of free gift or personal favor.**

To avoid the occurrence of potential conflicts of interest Natuzzi employees are bound to refrain from:

- **accepting invitations to visit competing companies;**

- **making invitations to representatives from competing companies to visit our company;**
- **from taking part in lunches or dinners (when these do not fall under the normal practice of a work meal) or to places of entertainment with competitors, clients and suppliers.**

Natuzzi employees who have family members or close acquaintances who are Natuzzi Group suppliers or clients must report this to the Company Ethical Guarantor. In those countries where it is traditional to offer gifts to clients or other people, this may be done, provided that these gifts are of an appropriate nature and of symbolic value, and always within the law. The gesture, however, must not allow itself to misinterpretations and be seen as favor seeking.

#### FAMILY MEMBERS AND PERSONAL RELATIONSHIPS

Situations may occur in which our relationships with family or friends may be the cause of a conflict of interests. It is of course obvious that when there is a family or personal relationship between a superior and an employee, the perfect conditions for a potential conflict of interests are set. In such cases, to avoid the suspicion that the superior might appraise the employee not only by merit and objectively, the manager must:

- **notify the Ethical Guarantor of there being a “potential conflict of interests”;**
- **carry out an appraisal that complies with the Ethical Guarantor's indications.**

Still on the subject of correctly separating private life from work, all employees with roles of responsibility are bound to not accept or request personal gifts, work, and favors of any kind from individual employees in their department. This is for two reasons:

- **to always maintain an objective attitude towards employees in his/her department;**
- **to not create reasonable suspicion among other employees that they are being appraised on the basis of factors that are not objectively measurable or meritocratic.**

Employees whose family or friends work for companies that supply goods or services that our Group uses must not intervene to influence negotiations. Employees whose family or friends work for the competition are bound to make it known to their manager or the Company Ethical Guarantor. Together they will have to adopt the most appropriate measures to reduce to a minimum the risk of a potential conflict of interests.

#### POLITICAL ACTIVITY

All Natuzzi employees are free to have their own political beliefs and to be politically active, but they have a duty to make clear that their own opinions are purely personal and that they are not expressed in the capacity of company employee. All forms of political canvassing are banned in the workplace; it is forbidden to use databases, company information, archives or any other company property to carry out political propaganda. Finally, it is not permitted to issue company funds to parties or individual politicians and request favors on behalf of politicians or hire friends or relatives that they have recommended.

## Q&A ON CONFLICTS OF INTEREST

**Q:** I have become friends with a supplier and am thinking about becoming his partner in a business venture whose line of business has nothing whatsoever to do with our Group. Does this go against company ethics?

**A:** YES. In fact, even if you were able to keep your activity in this new business venture separate from your work as an employee of this Group, others might anyway consider your work in the Group as being influenced by this second line of business, and that might compromise the objective evaluation of supplier performance. Before proceeding, you will have to discuss your plans with the Ethical Guarantor.

**Q:** I travel a lot for the Group. Can I use the points I've accumulated from the flights for my own personal trips?

**A:** YES, you can use points accumulated from flights and other benefits (that are not monetary) for personal trips. What is not permitted however is to try and manipulate company travel plans to receive these benefits. Every additional expenditure that, through the employee's own fault, the company is charged for the above-mentioned benefits amounts to wrongful appropriation of company funds.

**Q:** My husband has a company that manufactures semi-finished products. I am certain that he can supply our Group with a competitive product in terms of quality and price. Can he try to find work with the Group?

**A:** Your husband can find work with the Group provided that he doesn't take advantage of the professional and personal relations between you and your colleagues.

**Q:** Can I recommend a relative or a friend for a job interview to Human Resources?

**A:** Yes, as long as the candidate does not use you to speed up the normal process adopted by the company in these cases.

## **5. THE MANAGEMENT OF PRIVATE AND CONFIDENTIAL INTERNAL INFORMATION |**

During the course of their work, employees may come to learn information about their own company or other companies. This is a precious company resource.

Some of this information - about our Group and information that our suppliers and clients have entrusted to us - is to be considered private and all employees, consultants and Administrators are bound to safeguard this information. It is appropriate at this stage to specify that all information that the company does not make available to the public (e.g. the contents of the Natuzzi intranet “Natuzzi informa”, other internal communications, circulars, work e-mails that employees receive personally or are forwarded etc.) are to be considered private, and therefore may not be divulged to external sources. It must also be specified that in no circumstances is it permitted to talk about private and confidential information in public or crowded places or in the presence of third parties.

The divulgence of private news is not simply contrary to the Code of Ethics. In some cases it is also illegal and could lead to civil and penal sanctions for the person responsible. Under no circumstances, therefore, must private and confidential information be revealed to third parties unless it is legally required, nor must they be used to their own or other's advantage when transacting Natuzzi S.p.A. stock.

**Q&A ON PRIVATE AND CONFIDENTIAL INFORMATION**

**Q:** Can I tell my wife about private company information when I talk to her about my work? I know it would go no further.

**A:** Divulging private company information to your wife is not permitted. Although there is a confidential relationship between you and your wife there is no confidential relationship between your wife and the company. You must therefore be careful not to discuss confidential information with her. The same holds true for anyone outside the company, including other family members.

**Q:** How do I know if information is private and confidential if it is not indicated?

**A:** There are no clear and precise rules about unspecified information. Such information is to be judged on the basis of its content. However it is just as well to consider any information that is not published outside the company by official company bodies as private and confidential.

## **6. HOW TO CORRECTLY TAKE CARE OF AND USE COMPANY PROPERTY |**

The Natuzzi Group requires a commitment from all employees to ensure that company resources, in the shape of tangible and intangible assets, are safeguarded. Company property comprises:

- **buildings;**
- **furniture and furnishings;**
- **equipment;**
- **apparatus;**
- **inventories;**
- **funds;**
- **computers and related accessories, software and computer data, including e-mail;**
- **vehicles;**
- **documents, reports, presentations;**
- **information not in the public domain, all private information or documents;**

- **intellectual property (relating to models, engineering, methods and production tools, e.g.: templates, technical data sheets, projects, sketches, photographs, etc.).**

We are bound to protect company property and prevent its loss, destruction, damage, improper use, theft or sabotage.

It is forbidden to interfere with any system, be it of electronic or computerized nature, or with the data it contains. It is also forbidden to tamper with programs and archives, particularly if to obtain an unjust gain, be it for one's own or other's benefit (including the Company itself).

Furthermore we are bound to guarantee that company property is used correctly and solely for work purposes. Company property or services can be used for purposes other than for the benefit of the company only when expressly authorized.

**Q&A ON SAFEGUARDING COMPANY RESOURCES**

**Q:** Can I take home photographs of some models of Natuzzi sofas to allow my wife to choose which one to buy?

**A:** You are not allowed to take home photographs of models of Natuzzi sofas. This is why every year Natuzzi employees are given the new edition of the Natuzzi Catalogue. Of course we also suggest that you visit one of our sales points to give you a better idea.

**Q:** Can I download free software from the internet onto my company computer, without making the company break any laws about usage licenses?

**A:** No. Free programs downloadable from the internet may contain viruses that damage IT systems. Any request for software must be made to the IT Systems Department who will take care of assessing your request and providing you with the necessary assistance.

## **7. BOOK-KEEPING AND ACCOUNTING: HONESTY, ACCURACY AND TRANSPARENCY |**

The books and the accounting records must accurately and honestly record the details of transactions that have been made. Causing or writing inaccuracies in the books and accounting records, besides being illegal, also violates our Code of Ethics. Each action or financial operation effected by the Natuzzi Group is to be correctly and suitably recorded as well as supported by the relative documentation/information, in order to ascertain congruity, consistency and legitimacy of the said operations at all times. It is also necessary to allow the employee who authorized, carried out, recorded and verified the said operation to be identified.

Natuzzi employees cannot under any circumstances enter or help enter misleading or false accounting records. We ask all employees to cooperate fully with our internal and external accounting auditors. In particular our employees are bound to respect the following.

### **USE OF COMPANY RESOURCES**

The use of corporate resources and the approval of transactions regarding the same are permitted only if authorized in accordance with the company procedures. Corporate transactions must be carried out in full compliance with the law and the standards of general accounting.

#### ACCURATE ACCOUNTING BOOKS

All the books and the accounting records of the Natuzzi Group must be accurate and exhaustive. False or misleading entries are prohibited.

#### CORRECT PAYMENTS

No employee can authorize payment of corporate funds if he/she knows that even part of these funds will be used for purposes other than those stated in the payment documents.

#### ADEQUATE MONITORING

The Natuzzi Group carries out appropriate administrative and accounting checks to provide the best guarantees for respecting the above-mentioned requirements, and for the accuracy and the reliability of financial reports, which must contain truthful and complete information.

## **8. COMPLETE, ACCURATE AND PROMPT PUBLIC COMMUNICATIONS |**

Natuzzi Spa is listed on the New York Stock Exchange, and is obliged to provide periodic messages to the public. We are therefore committed to respect what is required of us by law as far as public messages are concerned, by checking these messages and the relative procedures that we use to guarantee: their promptness, conformity, completeness, honesty, accuracy and intelligibility. It is under no circumstances permitted and it is, in fact, a breach of law to provide false corporate information which could be detrimental to the shareholders and creditors; it is equally illegal to file totally or partially inaccurate *financial prospectuses*.

Employees responsible for Natuzzi Group public communications, or who supply information that falls under this process, have the responsibility to guarantee that all information is complete, accurate and conforms to checks and procedures carried out by the Group. It is not permitted to omit any relevant information or news or provide misleading communications in reports or any other documentation that is submitted to the financial authorities or the auditing firms. Their activity cannot under any circumstances be obstructed, as this is not only in breach of this code, but also implies penal liability to the company as well as the person responsible for the violation.

## **9. PERIODICAL CHECKS, ENQUIRIES AND DISCIPLINARY PROCEDURES |**

The Natuzzi Group will carry out periodical checks that this code is being conformed to. Information about potential violations will be the subject of company enquiries, and on the advice of the Ethical Guarantor, will be reported to the Board of Directors (or one of its appropriate committees), as well as to the relevant authorities. Intentionally false and purposive accusations of professional misconduct will be subject to disciplinary procedures. All employees are bound to cooperate fully with any internal or external investigation. Furthermore employees are bound to keep the investigation and relative documentation private.

Disciplinary procedures for breaching this Code may also involve the manager of anyone who has violated it, should it be ascertained that he/she had any part in the violation or that he/she can be held responsible due to culpable negligence in applying the Code of Ethics.

The applicable disciplinary procedures, as defined by the law, national category contracts and regulations, will be enforced upon those employees violating this code, those whose duty to supervise is not adequately carried out, those who prevent employees from expressing to the Guarantor any doubts or preoccupations with regards to non compliant behavior, or those carrying out any form of retribution on the employees that issue any complaints.

The Natuzzi Group reminds employees that it is absolutely forbidden to destroy or alter documentation with the aim of hindering an imminent or potential enquiry or any type of procedure that is taking place or that may take place in the future.

## 10. ADVICE: WHO TO ASK |

Within the Natuzzi Group the relationship between company and employee has always been focused on open dialogue.

Employees who need any clarifications about this Code of Ethics can ask their manager or the Ethical Guarantor directly. The Ethical Guarantor also deals with comments from clients, suppliers and shareholders.

The Natuzzi Group has also set up a toll-free number, **800.75.22.20** and an e-mail address: **garante.etica@natuzzi.com** - both in the name of the Ethical Guarantor - which you can call or write to, to guarantee the maximum privacy to employees who use them.

## **11. PUBLICATION AND AWARENESS OF THE NATUZZI CODE OF ETHICS |**

The Natuzzi Group undertakes that the Code of Ethics will be distributed as widely as possible and that there will be an adequate program of training and awareness of the problems discussed in the Code of Ethics.