



Code of Conduct and Responsible Practices

May 2017

Contents

1. Definition and purpose of the Code of Conduct and Responsible Practices
 2. Scope of application
 3. General principles
 4. Commitments to responsible conduct and practices
 - 4.1. Compliance with applicable legislation and internal regulations
 - 4.2. Relationships with employees
 - 4.3. Relationships with clients
 - 4.4. Practices in the market
 - 4.5. Relationships with suppliers
 - 4.6. Relationships with authorities and public officials
 - 4.7. Conflicts of interest
 - 4.8. Exercise of other activities
 - 4.9. Use of company goods and services
 - 4.10. Confidentiality of information and protection of personal data
 - 4.11. Protection of intellectual and industrial property
 - 4.12. Record of operations
 - 4.13. Social and environmental commitment
 5. Compliance with the Code and Commission of Compliance
 6. Publishing of the Code
- Annex 1: Terminology

1. Definition and purpose of the Code of Conduct and Responsible Practices

The “Code of Conduct and Responsible Practices” (henceforth the Code) establishes the action criteria which must be observed by the Group (henceforth “the Group” or “the company”) in the performance of its professional responsibilities.

The purpose of this Code is to ensure professional, ethical and responsible behaviour by the Group and all of its employees, in the performance of their activities anywhere in the world, as a basic element of the business culture on which the training and the personal and professional development of its employees is based. To this end, the principles and values are outlined that should govern the Group’s relationships with its interest groups (employees, clients, shareholders, business partners, suppliers, advisers, consultants, agents, distributors, sales people, representatives, intermediaries and any other operator through which they develop their business model).

To that end, the Code:

- Facilitates the knowledge and application of the Group’s business culture, firmly based on the enforcement of human and social rights and on the effective integration into the company of the entire group of employees, respecting their diversity.
- It established the principle of due diligence for the prevention, detection and eradication of irregular conduct, whatever its nature, including, among others, risk analysis, the definition of responsibilities, the training of employees, and where appropriate, of third parties directly linked to the company, and the formalisation of procedures, especially for the notification and immediate removal of irregular conduct.
- It takes into account the principle of criminal responsibility of legal persons, outlined in legislation and prevents and prohibits the existence of behaviour that may determine the responsibility of the

company among its legal representatives, administrators, employees or any other person that is subject to the authority of the company's staff.

2. Scope of application

The Code applies to all the companies that comprise the Group and is binding to all of its staff, regardless of the position and role that they perform.

The application of the Code, in whole or in part, may extend to any natural and/or legal person linked to the Group, when appropriate for the fulfilment of its purpose and when possible due to the nature of the relationship.

The Code shall be personally provided to all of the Group's Board Members, Management and anybody that represents it, when thus required due to the nature of their relationship, and they must assume the obligation to fulfil it in writing. Likewise, the obligation to comply with it will be expressly outlined in the work contracts of employees, who will be given a copy when they join the company.

Exemption from compliance, for specific cases that are duly justified, can only be authorised by the Commission of Regulatory Compliance, which must report, as soon as possible to the administrative body.

3. General principles

The Code of Conduct is defined as an ethical commitment that includes basic principles and standards for the proper development of relationships between the Group and its main interest groups wherever it carries out its business activities.

The Code is based on the following principles:

- All Group operations will be carried out under an ethical and responsible framework.
- Compliance with the current legislation of each country is a necessary premise of this Code.

- The behaviour of the Group employees shall adjust to the spirit and letter of this Code of Conduct and Responsible Practices.
- All the natural and legal persons that directly or indirectly maintain any form of working, economic, social and/or industrial relationship with Grupo Palbox, shall receive fair and dignified treatment.
- All of the Group's activities will be carried out with maximum respect for the environment, encouraging the conservation of biodiversity and the sustainable management of natural resources.

Employees

Grupo Palbox does not employ anyone under the age of 18. On an exceptional basis, it may be possible to employ minors, but who are aged over 16, under the specific category of "apprentice", always complying with what is established for these cases by the Collective Agreement that applies.

Nobody employed at Grupo Palbox shall be subjected to discrimination on the basis of race, physical disability, illness, religion, sexual orientation, political beliefs, age, nationality or gender.

Grupo Palbox prohibits any form of harassment, physical, sexual, psychological or verbal abuse of its employees, as well as any other conduct that could create an intimidating, offensive or hostile working environment.

The Group's employees have their rights to organise, freedom of association and collective negotiation recognised.

The weekly working hours and overtime shall not exceed the legal limit established by the legislation of each country. Overtime will always be voluntary and remunerated in line with the law.

The salary that Group employees receive is in line with the role carried out, and always respects the agreements of each sector in each country.

All of the Group's employees work in safe and healthy environments.

Clients

Grupo Palbox undertakes to offer all of its clients a high standard of excellence, quality, health and safety in its products, and to communicate with them in a clear and transparent way. These products will be produced in an ethical and responsible way.

Shareholders

Grupo Palbox carries out its activity in compliance with company interests, understood as the viability and maximising of the company's value in the long term, in the common interest of all the shareholders.

Business partners

Grupo Palbox extends the obligation to comply with what is outlined in this Code to its business partners.

Suppliers

Both the manufacturers of the products that Grupo Palbox sells as well as the rest of the suppliers of goods and services must commit to respecting what is established in this Code.

The Group will work to ensure that the aforementioned compliance is carried out effectively.

Society

Grupo Palbox undertakes to collaborate with the local, national and international communities where it does business.

4. Commitments to responsible conduct and practices

4.1. Compliance with applicable legislation and internal regulations

Regulatory compliance is a necessary premise of this Code. All the Group's employees must comply with the current legislation in each of the countries where they carry out their production, distribution and/or trading activities. Under no circumstances can the application of the Code entail the incompliance of the current legal provisions in the countries where the Group operates.

All of the Group's employees must comply with the company's rules and procedures, as well as the instructions that may be developed in its development.

Any other local Codes of Conduct that may exist, should be aligned and adapted to the criteria established in this Code, which will take precedence over any other internal regulation, unless the latter is more demanding. These local Codes and the instruments for their application should be approved beforehand by the Commission of Regulatory Compliance.

In order to facilitate proper internal control, the decisions of the Group's employees shall be traceable from the point of view of regulatory compliance, so that the adjustment of decisions to internal and external rules is justifiable, demonstrable and verifiable, in the event of a review by competent third-parties or by the company itself.

Grupo Palbox undertakes to provide the necessary resources so that its employees know and understand the internal and external regulations needed to carry out their responsibilities.

In the event of a breach of the Code, the company has a consultation and notification procedure, which enables anybody linked to it, to confidentially report any irregularity which, in their opinion, constitutes a breach of this Code.

4.2. Relations with employees

Grupo Palbox considers people as a key factor for business, it defends and promotes the fulfilment of human and working rights and undertakes to apply legislation and good practices in relation to employment conditions, and health and safety in the workplace.

The company's staff shall collaborate in the strict compliance with applicable labour standards and for the prevention, detection and eradication of irregularities on this matter. All employees, are obliged to act in their working relations with other employees, in accordance with the criteria of respect, dignity and justice, taking

into account the different cultural sensitivity of each person and not allowing any form of violence, harassment or abuse in the workplace, or discrimination on the basis of race, religion, age, nationality, gender or any other personal or social condition outside their conditions of merit and ability, with special consideration for the assistance and working integration of people with disabilities or impairments.

All the employees are responsible for rigorously complying with health and safety rules at work, and for ensuring their own safety and that of the people affected by their activities.

The consumption of substances which could affect the proper compliance with professional obligations is prohibited.

4.3. Relationships with clients

All employees, in their relationships with clients, are obliged to act in accordance with the criteria for consideration, respect and dignity, taking into account the different cultural sensitivity of each person and not allowing discriminatory treatment on the basis of race, religion, age, nationality, gender or any other personal or social condition prohibited by law, with special consideration for the assistance of people with disabilities or impairments.

Grupo Palbox protects its clients by establishing and implementing obligatory compliance standards for all suppliers in terms of product health and safety, guaranteeing that all the items it sells do not entail risks for their health/and or safety during use. The Group's employees shall ensure that the aforementioned standards are complied with, along with the other established regulations and procedures, referring to labelling, quality and characteristics of the products.

When performing their commercial activities, the Group's employers shall promote the company's products based on objective standards, without falsifying their conditions or characteristics. The company's promotion activities shall be

carried out clearly in order not to offer information that is false, deceitful or that could mislead clients or third parties.

All staff are obliged to ensure the security of the payment methods used on the sales channels of companies, whether physical or online, in order to guarantee the correct functioning and traceability of the invoicing and charging procedures, the protection of client data and the prevention of fraud and money laundering.

4.4. Practices in the market

Grupo Palbox competes in the market in a fair manner and does not permit misleading, fraudulent or malicious conduct under any circumstances.

The search for commercial or market information by the employees of the Group shall always be carried out without breaching the rules that protect it. Employees shall reject the information about competitors obtained improperly or breaching the confidentiality under which their legitimate owners hold it. In particular, special care shall be taken not to violate company secrets in the cases where professionals from other sector companies are incorporated into Grupo Palbox.

The company employees shall also avoid disseminating malicious or false information about the company's competitors.

In general, the Group employees shall avoid cash payments, and payments made in currencies other than those agreed to beforehand. In any case, the payment should comply with the policies defined by the organisation. Likewise, special control and supervision will be carried out of unforeseen payments made to, or by third parties not mentioned in the corresponding contracts, those made to accounts that are not the ones normally used in the relationships with a specific organisation or person, the payments made to or by people, companies, entities or accounts opened in territories classes as tax paradises and those made to organisations where it is not possible to identify the end partner, owner or beneficiary.

Employees shall demand compliance with the regulations relating to client registration processes or declarations of the origins of products, supervising compliance with the rules and processes established by the company in this area.

4.5. Relationships with suppliers

The Group employees shall maintain a legal, ethical and respectful relationship with their suppliers of goods and services.

The selection of the suppliers will be governed by criteria of objectivity and transparency, reconciling the interest of the company to obtain the best conditions, with the desirability of maintaining stable relationships with ethical and responsible suppliers.

All the suppliers that work with the Group must commit to respecting the human and working rights of all the employees hired, and also engaging with their business partners and transmitting these principles to them. Under no circumstances will the breach of any of these principles be accepted by the Group.

Activities relating to purchases and procurement shall be carried out in strict compliance with the rules and procedures in force at the company. All of the decisions taken in this field should be accredited, in the sense that they should be justifiable, demonstrable and verifiable in the case of a review by third parties or by the Group's own controlling bodies. The Group's staff are obliged to protect commercially sensitive information relating to the conditions established by the company in relation to its supply chain.

The Group's employees shall not request suppliers to provide, and nor will they accept, information relating to the conditions established with other companies that compete with the Group.

No employee of the Group can directly or indirectly offer, grant, request or accept gifts or handouts, favours or compensation, in cash or in kind, regardless of their nature, which may influence

the decision making process related to the performance of the duties resulting from their role.

Any gift or handout received that contravenes this Code, must be immediately returned and the Commission of Regulatory Compliance should be notified of this situation. If the return of the gift or handout is not reasonably possible, it will be handed over to the aforementioned Commission which, after issuing the corresponding receipt, it will be assigned to social purposes.

In particular, no Group employee can offer, grant, request or accept gifts or handouts from a natural or legal person, with whom the Group has any kind of relationship which, alone or added together over the period of a year, have a value of over 100 Euros or the equivalent in local currency. Cash gifts are expressly forbidden.

4.6. Relationships with authorities and public officials

The Group employees shall have legal, ethical and respectful relationships with the authorities and public institutions in the countries where it carries out its activities, and in line with the international provisions for the prevention of corruption and bribery. The employees that have relationships with representatives of public administrations should be specifically authorised by the company.

Staff that have relationships with public administrations must document the decisions taken and accredit compliance with the applicable internal and external rules, with the aim of enabling third parties and the company's control bodies to be able to review regulatory compliance in this area.

As a general rule, none of the Group's employees can directly or indirectly offer, grant, request or accept gifts or handouts, favours or compensation, regardless of their nature, to or from any authority or public officials.

Each employee is responsible for finding out and properly evaluating local practices, bearing in mind the interests and good

reputation of the company. If in doubt, it is necessary to check with the Commission of Regulatory Compliance.

The Group's employees shall refrain from making payments to facilitate or speed up procedures, consisting of giving money or other valuables, regardless of the amount, in exchange for ensuring or speeding up the progress of a procedure or action regardless of its nature, in relation to any legal body, public administration or official body.

Employees shall avoid obtaining undue tax benefits for the Group, this matter is accurate and faithfully reflects the reality of the company. They shall also ensure that the grants requested or received from public administrations are used correctly and that the application for them is transparent, avoiding the falsification of conditions in order to obtain them or using them for a purpose other than that which they were granted for.

In countries where there are requirements and restrictions regarding international trade, the Group's employees shall scrupulously comply with the regulations in force and shall present the information required about their activities to the authorities that request it.

4.7. Conflicts of interest

Group employees must avoid situations that could result in a conflict between their personal interests and those of the company. They should also refrain from representing it and intervening or influencing decision making where they themselves or a third-party linked to them has a personal interest, directly or indirectly. They cannot use their position in the company to obtain financial or personal benefits or business opportunities for themselves.

No Group employee can provide services as a consultant, board member, manager, employee or adviser, to another competing company, except for the services which may be provided at the request of the Group, or with the authorisation of the Commission of Regulatory Compliance.

Grupo Palbox respects the private life of its staff and consequently, the private sphere of their decisions. Within the framework of this policy of respect, employees are urged that, if conflicts of interest arise relating to them personally or their family environment which may compromise the necessary objectivity or professionalism of their role in the Group, they should inform the Commission of Regulatory Compliance, so that, respecting the confidentiality and privacy of people, it can adopt the appropriate measures for the benefit of both society and the affected persons.

Specifically, the following are potential situations of conflict and should be reported to the Commission of Regulatory Compliance:

- The carrying out, by the employee or people linked to them, either directly or indirectly, by themselves or through a company or institution, of activities that are identical, similar or complementary to the activity that the Group carries out.
- The carrying out, by the employee or people linked to them, either directly or indirectly, by themselves or through a company or institution, of activities that generate the exchange of goods and/or services with the Group, regardless of the agreed remuneration system.

4.8. Exercise of other activities

The Group's employees can only perform working and professional activities other than those carried out within the Group, when they do not result in a decrease in the efficiency expected in the performance of their duties. Any outside working or professional activity that could affect the working day at the company, must be authorised beforehand by the Commission of Regulatory Compliance.

Grupo Palbox develops its business model without interfering politically in communities where it carries out its manufacturing, distribution and/or trade activities.

Any relations of the Group with governments, authorities, institutions and political parties shall be based on the principles of legality and neutrality.

The contributions that the company may make, in money and/or in kind, to political parties, institutions and public authorities, shall always be made in accordance with current legislation and guaranteeing their transparency, and to that end, they should be preceded by a report from the Commission of Regulatory compliance that accredits their full legality.

The Group recognises the right of the employees to participate in political activities that are legally recognised, provided that they do not interfere with the proper performance of their activity in the company, and are performed outside working hours and outside of any Group facility so that they cannot be attributed to the company.

4.9. Use of company goods and services

Group employees shall use company goods and services efficiently and they shall not use them for their own personal benefit.

In this regard, under no circumstances shall the Group's employees use the equipment that the Group provides to them in order to install or download programmes, applications or content whose use is illegal, that breach the company's rules or that could harm its reputation. Nor will they use company funds or cards to cover transactions that do not pertain to their professional activity.

Employees must be aware that the documents and data contained in the Group's information technology systems and equipment may be subject to review by competent units of the company, or by third parties assigned by it, when this is deemed necessary and is permitted by current regulations.

4.10. Confidentiality of information and protection of personal data

The Group's staff are obliged to protect the information and knowledge produced within the organisation, that is owned or held by it.

Employees must refrain from using any data, information or documentation obtained during the performance of their professional activity. Nor shall they disclose information to third parties, except when they do so in compliance with the applicable regulations, the company rules or when they are expressly authorised to do so. Likewise, nor shall they use confidential data, information or documents from a third-party company without its written authorisation.

The Group's staff undertake to maintain confidentiality and to use any data, information or documents obtained during the exercise of their responsibilities at the company in a manner that complies with internal regulations. Generally, and unless stated otherwise, the information that they have access to should be considered confidential and can only be used for the purpose for which it was obtained.

Likewise, they should not create duplicates of information, reproduce it, or use it more than what is needed in order to carry out their duties and they shall not store it on information systems that are not owned by the Group, except in the cases and for the purposes that are expressly authorised.

The confidentiality obligation shall remain once activity at the Group has ceased and it shall include the obligation to return materials linked to the company that the employee possesses at the time of the cessation of their relationship with the company in question.

The Group's staff must respect the personal and family privacy of anyone, whether employees or others, whose data they have access to. The authorisations to use the data must correspond to specific and justified requests. The Group's employees must

strictly comply with the internal and external rules, established to ensure the correct processing of information and data provided to the company by third parties.

For the collection of personal data from clients, employees, suppliers, contractors or any person or entity that there is contractual or other kind of relationship with, all the Group's staff shall obtain consent, when mandatory, and undertake to use the data in compliance with the purpose authorised by the consenting party. Likewise, the Group's staff must know and respect all the internal procedures implemented in relation to the storage, custody and access to the data and the procedures that are intended to guarantee the different levels of security required in accordance with the nature of the data.

Employees shall notify the corresponding area or department of any incident that they detect linked to the confidentiality of information or to the protection of personal data.

4.11. Protection of intellectual and industrial property

Grupo Palbox is committed to the protection of both its own and others' intellectual and industrial property. This includes, among others, copyright, patents, trademarks, domain names, reproduction rights, design rights, database extraction rights and rights to specialised technical knowledge.

The Group is responsible for the originality of its own designs and shall ensure that its suppliers guarantee the originality of the designs that they provide to the company.

The Group's staff are expressly forbidden from using the works, creations or distinctive signs that are the intellectual or industrial property of third parties without evidence that the company holds the corresponding rights and/or licences.

The Group's staff shall adopt the necessary measures to protect intellectual and industrial property, seeking to ensure that the processes and decisions within this field are traceable, in the sense of being documented and being justifiable and verifiable,

especially through the titles of works, creations or distinctive signs and the application of the contractual clauses that guarantee the originality and peaceful use of those of third parties.

The intellectual and industrial property resulting from the work of employees during their time at the company, and that are linked to the present and future business of the Group, shall be the property of the company Group that the employee provides their services to.

Only the brands, images and texts that are duly authorised shall be used in marketing and advertising.

4.12. Record of operations

All economic operations that the company carries out, shall appear clearly and exactly in appropriate accounting records that faithfully reflect the transactions carried out, and they shall be available to both internal and external auditors.

Group employees shall enter financial information into the company's systems in a complete, clear and precise way, so that, on the corresponding date, they reflect their rights and obligations in compliance with the applicable legislation. Additionally, they shall ensure the rigour and integrity of the financial information that, in accordance with current legislation, it is necessary to report to the market.

The Group undertakes to implement and maintain a suitable internal control system for the creation of financial information, guaranteeing the periodic supervision of its effectiveness. Accounting records will be available to internal and external auditors at all times. To that end, the Group undertakes to provide its employees with the necessary training so that they know, understand and fulfil the commitments established by the company in relation to the internal control of financial information.

4.13. Social and environmental commitment

The Corporate Social Responsibility of the Group, understood as its social and environmental responsibility in the carrying out of its activities and for the benefit of its interest groups, forms an inseparable part of its business model.

The Group's social commitment may materialise in sponsorship, patronage and social action activities carried out by the organisation or channelled through collaboration with social organisations.

The Commission of Regulatory Compliance, in accordance with the Group's internal regulations, is the legitimate body for approving any contribution allocated to sponsorship, patronage or social investment programmes.

The Group undertakes to minimise environmental impact throughout the entire life cycle of its products up until their final provision, by developing measures to reduce and compensate that impact at each stage of the design, manufacturing, distribution, sale and end use process.

The employees of the Group shall carry out their activity while promoting the social and environmental sustainability of the company, as a means for the responsible creation of value for all of its interest groups.

5. Compliance with the Code and Commission of Regulatory Compliance

In order to guarantee compliance with this Code, there is a Commission of Regulatory Compliance which can act on its own initiative or at the request of any Group employee, manufacturer, supplier or third party with a direct relationship and legitimate commercial or professional interest, via a complaint made in good faith.

To that end, communications made under this Code, whether they contain complaints of breaches or enquiries relating to the

interpretation or application of the Code, can be sent to the company via any of the following means:

- Ordinary post to the address: Calle Colón, 20 – 6th floor – door 12; 46004 Valencia (Spain), for the attention of the Secretary of the Commission of Regulatory Compliance of GRUPO PALBOX

- Email any of the following addresses:

canaletico@grupopalbox.com

jose.oltra@swanpartners.es

The Commission of Regulatory Compliance depends on the Administrative Body and has the following basic functions:

a) Supervision of compliance and of the internal dissemination of this Code among all of the Group's staff.

b) The reception of all kinds of documents, linked to the application of the Code and sending them, where applicable, to the Company body or Department that is responsible for processing and resolving them.

c) The control and supervision of the processing of files and settling them.

d) The interpretation of queries that arise out of the application of this Code.

e) The proposal to the Administrative Body, having collected the relevant prior reports, any clarifications and implementing regulations as required by the enforcement of this Code.

f) The supervision of the management of the Ethical or Complaints channels and the compliance with its procedure.

When carrying out its functions, the Commission of Regulatory Compliance shall guarantee:

- a) The confidentiality of all the data and background information handled and of the actions carried out, unless the disclosure of information is required by law or legal injunction.
- b) The exhaustive analysis of any data, information or documents based on which its actions are taken.
- c) The proper investigation of the circumstances of the case, during which action shall always be taken independently and fully respecting the right to be heard and the presumption of innocence of any person affected.
- d) The indemnity of any claimant as a consequence of the presentation of proceedings or complaints made in good faith to the Commission.

The Commission of Regulatory Compliance will have the resources needed to guarantee the application of this Code.

The decisions of the Commission of Regulatory Compliance, on aspects where it can issue decisions, will be binding, for both Grupo Palbox and the employee.

6. Publishing of the Code

This Code will be supplied to all employees, it will remain published on Group's intranet and will be subject to the appropriate communication, training and awareness actions for its correct comprehension and implementation by all of the organisation:

Annex 1: Terminology

For the purposes of this Code, the following definitions are provided:

Grupo Palbox or "the Group". - All the companies that are part of the Group of Palbox companies throughout the world, which are those whose control is held by the company Palbox Holding, S.L as the parent company. Unless otherwise stated, the expressions "business"

and "company" refer to each of the companies included in Grupo Palbox.

Staff or employees. - All the board members, management and other Group employees, regardless of their form of contracting, when they act as such, that is to say, on behalf of and representing or for Grupo Palbox, and whether they do so directly or indirectly, by themselves or through a proxy or through any company or another type of controlled entity.

Associated person. - Any person who is in any of the following situations in relation to Group staff:

- Spouse or person with a similar relationship of affect.
- Ascendant, descendant or sibling.
- Ascendant, descendant or sibling of the spouse or person with a similar relationship of affect.

Suppliers. - The manufacturers of products that Grupo Palbox sells and any other suppliers of goods and services that have direct commercial relationships with the Group.

Business partners. - Clients, joint ventures, joint venture partners, consortium partners, contractors, commission agents, consultants, sub-contractors, suppliers, sellers, sales persons, advisers, agents, distributors, representatives, intermediaries, investors or any other natural or legal person in a business relationship with Grupo Palbox, regardless of the type of company adopted

20833874Z
JOSE OLTRA (R:
B98610421)

Firmado digitalmente por
20833874Z JOSE OLTRA
(R: B98610421)
Fecha: 2017.12.13
01:19:12 +01'00'