

AGRIFARMA S.p.A.

CODE OF ETHICS

(Version No. 1 - Text approved by the Board of Directors on 26 September 2012)



CHAPTER 1

GENERAL PRINCIPLES

1.1 Foreword

AGRIFARMA S.p.A., founded in 1995, the object of which is the wholesale and retail trade of agricultural, zootechnical, dietetic, cosmetic and medical supplements, veterinary and pharmaceutical specialties in general, and feed, food and accessories for animals. In 1998, the first point of sale was established in Alessandria, and in the same year a second store was opened in Chiavari.

Today, the Company boasts a chain of supermarkets, specialized in and dedicated exclusively to pets, counting sixty-nine stores throughout Italy.

AGRIFARMA S.p.A. pays particular attention to improving its Corporate Governance and ensuring that it is constantly following the highest ethical standards.

To define the prerequisites for an increasingly respectful and socially responsible attitude capable of establishing a pact of trust between the company and the community at large, AGRIFARMA S.p.A. - implementing a specific resolution of the Board of Directors and pursuant to Legislative Decree 231/2001 - has decided to implement ethical-behavioural guidelines. These guidelines are called the "Code of Ethics" (hereinafter, also, the "Code").

The Company carries out its internal and external activities in compliance with the principles contained in this Code of Ethics, which constitutes the set of values and lines of conduct that make up the "identity" of the Company itself.

The Code of Ethics represents, therefore, an official public statement of AGRIFARMA S.p.A.'s commitment to pursuing the highest levels of ethical behaviour in the fulfilment of its company mission, identifying operational standards and rules of conduct, including with respect to the prevention of crimes under Italian Legislative Decree 231/2001.

AGRIFARMA S.p.A. undertakes to respect and enforce compliance with the general principles and ethical standards set forth in this Code, since such compliance, in addition to fundamental moral reasons, corresponds to a greater protection of its corporate interest from an economic point of view. The awareness that 'the behaviour of a few may damage the image of all', must drive everyone to contribute to the general observance of the principles expressed below, encouraging their dissemination and awareness, not only within the Company but also externally. In this regard, the Code implements the principle of cooperation, with a view to mutual benefit.

The Code does not replace or overlap with laws and other external and internal regulatory sources. Instead, it is a supplementary document, reinforcing the principles contained in those sources, with specific reference to the ethical profile of corporate behaviour.

1.2 Addressees

The rules of the Code apply, without exception and within the limits of their respective competencies, to the members of the Board of Directors and the Board of Statutory Auditors, managers, executives and employees of AGRIFARMA S.p.A. (hereinafter, also, "Company"), as well as to all those who, directly or indirectly, permanently or temporarily, establish, for any reason, relationships and relations of collaboration with

AGRIFARMA S.p.A. or operate in the interest of the same. These individuals will be defined below as "addressees".

In no way can one's belief that one is acting in the interest or to the advantage of the Company justify the adoption of conduct that does not adhere to the principles set forth in this Code.

1.3 Obligations of addressees

AGRIFARMA S.p.A. maintains a relationship of mutual trust and loyalty with each of the addressees. All actions, operations, negotiations and, in general, the conduct of the addressees of this Code, in the performance of their work activities, must reflect the principles of honesty, fairness, integrity, transparency, legitimacy, clarity and mutual respect, as well as being open to verification, in accordance with current regulations and internal procedures. All activities must be carried out with commitment and professional rigor.

Each addressee must provide professional contributions that are appropriate to their assigned responsibilities and must act in such a way as to protect the prestige of AGRIFARMA S.p.A. Addressees, in addition to fulfilling the general duties of loyalty, fairness and the performance of the work contract in good faith, must refrain from carrying out activities in competition with those of AGRIFARMA S.p.A., comply with company rules, and abide by the principles of the Code, while compliance with the latter is also required pursuant to and for the purposes of Article 2104 of the Italian Civil Code.

Addressees must avoid situations and/or activities that could lead to conflicts of interest with those of AGRIFARMA S.p.A. or that could interfere with their ability to make impartial decisions.

Every addressee is asked to familiarize themselves with the rules contained in the Code and the reference standards that govern the activities carried out within the scope of their function.

Addressees are required to:

- comply with the Code and refrain from conduct that does not adhere to it;
- refer to their superiors, or the corporate functions designated for that purpose, if they need clarification on how the rules are applied;
- promptly report to superiors or to the functions designated for this purpose:
 - o Any information, either directly acquired or reported by others, about possible violations of the Code's rules;
 - o Any request to violate the rules that has been made to them;
- cooperate with the functions designated for this purpose to verify possible violations.

The addressee may not conduct personal investigations or report the information to anyone other than their superiors or the functions that may be delegated for this purpose.

1.4 Commitments of the Company

AGRIFARMA S.p.A. will ensure, including through the possible assigning of specific internal functions:

(i) the maximum dissemination of the Code among the "addressees" and those who enter into relations with the Company; (ii) the development and updating of the Code; (iii) the provision of adequate cognitive tools about the interpretation and implementation of the rules contained in the Code; (iv) the carrying out of checks regarding reports of violations of the rules of the Code; (v) the evaluation of the facts and the consequent application, in case of ascertained violation, of the sanction measures provided; (vi) that

no one may suffer consequences of any kind for providing information regarding possible violations of the Code or the rules referred to therein.

1.5 Additional obligations for heads of business functions

Each Business Unit/Function Manager has the obligation: (i) to set an example for their employees with their behaviour; (ii) to promote compliance with the rules of the Code by the "addressees"; (iii) to work to ensure that the "addressees" understand that compliance with the rules of the Code constitutes an essential part of the quality of the performance of work and of their own activity; (iv) to take immediate corrective measures when required by the situation; (v) to work to prevent possible retaliation, within the limits of their competencies and attributions.

CHAPTER 2

RELATIONS WITH THIRD PARTIES

2.1 General principles

Addressees who have business relationships with third parties must interact with them, in strict compliance with laws and regulations, according to the principles set forth in the Code of Ethics.

Illegal, collusive practices and conduct, illicit payments, attempted bribery and favouritism, solicitation, whether direct or through third parties, solicitation of personal and career advantages for oneself or others, contrary to the laws, regulations and standards covered by this Code of Ethics, are prohibited in business dealings and relationships with third parties.

It is forbidden to offer and receive gifts, presents or gratuities of any kind outside the scope of company practice.

Addressees who receive gifts, gratuities or favourable treatment, not directly attributable to normal business practice, shall immediately inform their superiors or the Company Management, in order to receive instructions regarding the return or the appropriate destination of such gifts. The prohibition against offering and receiving gifts also extends to family members or associates (understood as persons who have business relationships of a contractual or associative nature with the addressees). Under no circumstances may gifts in the form of money or goods easily convertible into money be offered or accepted. In any case, addressees of the rules of this Code must avoid all situations and all activities whereby a conflict with AGRIFARMA S.p.A.'s interests may arise or which may interfere with their ability to make, in an impartial manner, decisions in the best interest of AGRIFARMA S.p.A. and in full compliance with the rules of the Code.

2.2 Customer relations

AGRIFARMA S.p.A. is committed to maximum compliance with the laws on product marketing, directing its resources towards researching and satisfying the needs of direct and indirect customers.

In particular, no employee may be involved in the marketing of products for sale that mislead consumers of the origin, quality and characteristics of the goods. The Company shall refrain from conduct aimed at putting products that violate industrial property rights or have counterfeit trademarks or falsely marked merchandise into circulation at its Points of Sale.

For AGRIFARMA S.p.A., the consumer represents not only the end customer, but a fundamental link in the chain of values that has always characterized the company's business.

The Company bases its business activities and conduct on quality, understood not only as product quality but also as paying attention to the special needs of customers; for the Company, customer relations must be continuously strengthened through quality, reliability and efficiency, as well as through timely, accurate, clear, easily-accessible and truthful information about the products offered.

Product development will be conducted in a responsible manner, with special attention paid to animal welfare and the protection of the operator, user and consumer.

2.3 Relationships with suppliers, contractors and subcontractors

The Company guarantees a relationship of fair competition among suppliers.

In the selection of its suppliers, contractors and subcontractors, the Company operates with the aim of achieving maximum competitive advantage, while respecting quality, and adopts non-discriminatory behaviour. In its selection, it considers – in addition to economic convenience – the technical-economic capacity of its contractors, assessing their overall reliability with regard to the specific nature of the services to be rendered.

In particular, in contracting, procurement and, in general, the supply of goods, the addressees of the rules of this Code are obliged to:

- Comply with applicable industry regulations and internal procedures for identifying and qualifying contractors/suppliers and managing relationships with them;
- Adopt objective criteria in the process of supplier selection and evaluation, in an open and transparent manner;
- Maintain a frank and open dialogue with contractors and/or suppliers in line with good business customs.

2.4 Relations with Institutions and the P.A.

Relations between the Company and Institutions and the Public Administration are reserved exclusively for the functions and responsibilities delegated for this purpose.

Relationships pertaining to the Company's activities with public officials or public service appointees – operating on behalf of the Public Administration, EU institutions, international public organizations and any foreign state – with the judiciary, public supervisory authorities and other independent authorities, must be undertaken and managed in absolute and strict compliance with applicable laws and regulations, the principles set forth in the Code of Ethics and internal protocols, so as not to compromise the integrity and reputation of both parties.

Attention and care must be taken in dealings with the above-mentioned parties, particularly in transactions relating to contracts, authorizations, licenses, concessions, applications for and/or the management and use of financing of public origin (national or EU), however denominated, management of contracts, dealings with supervisory or other independent authorities, social security agencies, tax collection agencies, bodies involved in bankruptcy proceedings, civil, criminal or administrative proceedings, etc.

Relations between the Company and Institutions and the Public Administration must never be based on promises, handouts of money, concessions of goods in kind to promote the Company's business or otherwise to obtain more favourable treatment or defend its market positions. Intervention in the sphere of public power or politics to favour third-party interests for the purpose of receiving benefits of various kinds is not permitted. In the course of a business negotiation, request or business relationship with the Public Administration or private parties, it is not permitted to entertain or propose employment and/or business opportunities that may benefit employees of the Public Administration or a private individual in a personal capacity, nor promise or grant cash disbursements for purposes other than institutional ones, nor promise or grant favouritism in the hiring of personnel, nor produce false or altered documents and/or data or omit due information.

Addressees who receive requests, whether explicit or implicit, for benefits of any kind from subjects of the Public Administration shall immediately:

- suspend all relations with them;
- inform in writing the President or the appropriate supervisor or function, depending on the individual involved;
- inform the Supervisory Board in writing, pursuant to Italian Legislative Decree 231/2001.

It is also forbidden to use contributions, financing or other disbursements, however denominated, granted to the Company by the State, a Public Entity or the European Union, for purposes other than those for which they were allocated.

It is forbidden to alter in any way the operation of a computer or electronic system or to intervene illegally in any way on the data, information and programs contained therein or pertaining to it, to gain an unfair profit to the detriment of others. The prohibition is strengthened if the State or a Public Entity would be harmed.

2.5 Relations with the judiciary

AGRIFARMA S.p.A. does not induce addressees to make false statements to the judicial authorities to be able to direct the judges' decisions to their own advantage. Each addressee is therefore obliged to act conscientiously and to render their testimony accurately and without omission when requested.

2.6 Relations with political and labour organizations

The Company does not make contributions to political and labour parties, movements, committees, and organizations, their representatives and candidates, except those required under specific regulations and agreements (e.g., union dues paid on behalf of employees, contributions to trade associations, etc.).

2.7 Relations with media bodies

Relations with the mass media must be transparent and consistent with Company policy in order to ensure maximum protection of its brand image. Communication with the outside world through the media is performed exclusively by the corporate functions formally delegated for this purpose and in line with the Company's rules. Communications of a technical – operational nature may be delegated to specific company functions. Addressees shall ensure the utmost confidentiality regarding news and information that is part of the Company's assets or pertaining to the sphere of the Company's activities. Violation of this obligation may constitute a breach of contractual obligations, with legal consequences, including with regard to the termination of the contract and/or assignment, and may result in the obligation to compensate for damages arising therefrom.

2.8 Relations with competitors

AGRIFARMA S.p.A. renounces the adoption of unfair forms of competition, avoiding the use of illicit techniques and means to obtain an advantage over competitors or to cause them harm in the event of direct or indirect competition, whether in the context of participation in tenders or in other forms of competition in common markets with other parties. Every addressee is obliged to behave fairly in accordance with common practice and custom, as well as current regulations, when participating in tenders and on other occasions when AGRIFARMA S.p.A. finds itself in a contest of free competition with other entities.

CHAPTER 3

ACCOUNTING TRANSPARENCY

3.1 Accounting records

Accounting transparency is based on the truth, accuracy and completeness of basic information for the relevant accounting records. Each addressee is required to cooperate to ensure that business events are correctly and timely represented in the accounting records.

Adequate supporting documentation of the activity performed is kept on file for each transaction, in order to enable:

- easy submission into the accounting record;
- the identification of different levels of responsibility;
- the accurate reconstruction of the operation, also to reduce the likelihood of interpretive errors.

Each record must accurately reflect the supporting documentation. It is the responsibility of each addressee to ensure that the records are easily traceable and ordered according to logical criteria. Addressees who become aware of omissions, falsifications or neglect of accounting or of the documentation on which accounting records are based, are required to report the facts to their supervisor or the appropriate function.

CHAPTER 4

PERSONNEL POLICIES

4.1 Principles

The Company believes that the sense of belonging, the full commitment to the Code of Ethics, and the professionalism of the addressees are determining values and conditions for achieving the company's mission.

Personnel shall be hired under employment contracts in the manner prescribed by current regulations and collective bargaining. No irregular or "moonlighting" positions are allowed. At the establishment of the employment relationship, the Company provides staff with all the necessary information: characteristics of the function and duties to be performed, a copy of the national collective agreement, regulations relating to safety at work, the Organization and Management Model pursuant to Legislative Decree 231/2001 and the Code of Ethics or, if necessary, an extract of the latter.

The Company expects employees at every level to cooperate in maintaining a climate of mutual respect for each other's dignity, honour and reputation.

Therefore, the Company undertakes:

- To adopt fair and transparent personnel selection systems;
- To promote individual and group professionalism;
- To set and communicate clear and transparent operational goals to all employees.

4.2 Personnel selection

The evaluation of personnel to be hired is carried out on the basis of the correspondence of the candidates' profiles to the company's needs, while respecting equal opportunities for all subjects involved. The information requested is strictly related to the verification of the possession of the professional and psycho-aptitude requirements provided, while respecting the privacy and opinions of the candidate. The Company will take appropriate measures to avoid favouritism, nepotism or forms of patronage in the stages of personnel selection and recruitment.

4.3 Staff development and training

The Company recognizes the centrality of human resources, committing itself to adequately and periodically evaluating and developing the skills and competencies of each employee through a system of recurrent training and offering all workers the same opportunities without any discrimination.

In evaluating its personnel, the Company is committed to considering the skills and knowledge of each employee and assessing individual merit, using objective evaluation systems that take into account professionalism and shared corporate values.

4.4 Diversity

The Company undertakes not to implement any form of discrimination, direct or indirect, of any kind in work relations and to promote positive actions for equal opportunities, valuing the strength of diversity. All addressees at any level are expected to cooperate to maintain a climate of mutual respect in the face of personal differences.

4.5 Harassment at work

In work relations, there must be no space for harassment in any way. The Company is required to prevent and, in any event, prosecute bullying and personal harassment of any kind, including sexual harassment. Each addressee is committed to avoiding the occurrence of such situations, including through the use of language that respects people and the work environment.

4.6 Alcohol and drug abuse

It is prohibited for each "addressee" to perform work under the effects of alcohol, narcotics or substances of similar effect. It is also forbidden to consume or offer narcotic substances in any capacity while on duty.

4.7 Smoking

Addressees are required to comply with and enforce internal regulations and current legislation regarding the prohibition of smoking inside premises, vehicles or other areas where smoking is prohibited for safety reasons.

CHAPTER 5

HEALTH, SAFETY AND THE ENVIRONMENT

5.1 Principles

The Company reaffirms, as its primary values, its policies for the protection of health and safety at work and is committed to managing its activities in full compliance with current regulations on prevention and protection, pursuing the goal of continuous improvement of health and safety conditions at work. In the field of operational safety, the goal is to reduce the number and consequences of accidents by promoting technological investments and personnel training. Addressees of the rules of this Code of Ethics participate, within the scope of their duties, in the process of risk prevention and health and safety protection with respect to themselves, their colleagues and third parties.

The Company is committed to managing its activities in full compliance with current environmental regulations and regulations on the prevention and protection of worker health and safety. The Company's environmental commitments can be summarized as follows:

- compliance with the principles enshrined in the relevant national and EU regulations, including through orientation and awareness-raising actions for workers, partners and suppliers;
- reducing the causes of environmental pollution, giving priority to the use of less polluting means and technologies;
- collaboration with institutions to identify integrated and sustainable mobility policies and solutions that would improve the quality of the environment;
- promotion of external and internal communication initiatives aimed at raising awareness and involvement of institutions and citizens on environmental issues and the choices and projects implemented by AGRIFARMA S.p.A. in this area.

5.2 Obligations of addressees

Addressees of the rules of this Code, within the scope of their duties and functions, participate in the process of preventing risks, safeguarding the environment and protecting health and safety with respect to themselves, colleagues and third parties.

CHAPTER 6

INFORMATION PROCESSING AND CONFIDENTIALITY

6.1 Principles

Confidentiality is one of the fundamental values to be respected in the practical operations of the Company, as it contributes to the Company's reputation. Without prejudice to relevant regulations, addressees must ensure the confidentiality of information to which they have had access or that they have handled during the course of their work activities, even if such information is not specifically classified as confidential. Addressees are required to abide by these principles even after the termination of their employment. The obligation of confidentiality regarding information is also imposed on parties with whom the Company has contractual or other relationships, either through specific contractual clauses or by requiring them to sign confidentiality agreements. Similarly, the Company is committed to protecting information about its employees and third parties, avoiding any misuse of this information, in order to protect the guarantee of privacy for those concerned. Failure to comply with the obligation of confidentiality constitutes a serious breach if it involves disclosure or provides an opportunity for disclosure of confidential information related to the Company's decision-making processes and activities. Violation of the provisions contained in this article may result, in addition to the application of disciplinary sanctions, in further legal action against the employees involved.

CHAPTER 7 CONTROLS

7.1 Internal controls

"Addressees" must be aware of the existence of control procedures and conscious of their contribution to the achievement of business objectives and efficiency.

Internal controls are defined as all the tools necessary or useful to direct, manage, and verify the Company's activities with the goal of ensuring compliance with laws and company procedures, protecting company assets, efficiently managing operations, and providing accurate and complete accounting and financial data.

The responsibility for creating an effective internal control system belongs to each operational level. Consequently, all "addressees," within the scope of the functions performed, are responsible for the definition, implementation and proper functioning of the controls inherent in the operational areas entrusted to them.

Within the scope of their responsibilities, unit/function heads are expected to be involved in the company's control system and to involve their employees in it.

Every operation and transaction must be properly recorded, authorized, verifiable, legitimate, consistent and congruous.

7.2 Recording of operations

All actions and operations of the Company must be adequately recorded and it must be possible to verify the process of decision-making, authorization and performance. For each operation, there must be adequate documentary support in order to be able, at any time, to carry out controls that would verify the characteristics and reasons for the operation and identify who authorized, carried out, recorded and verified the operation.

7.3 Protection of corporate assets

Everyone should feel that they are a responsible custodian of the company's assets (tangible and intangible) that are instrumental to its business.

No "addressee" may misuse the assets and resources of the Company or allow others to do so.

CHAPTER 8

INTELLECTUAL PROPERTY PROTECTION

8.1 Intellectual property protection

AGRIFARMA S.p.A., enacts internal regulations or procedures that prohibit and hinder the reproduction of copyrighted works. It is forbidden for any addressee to use, for business purposes or personal interest, the company's facilities, equipment and other means of reproduction to copy, reproduce and disseminate works and goods without the authorization of the copyright owner, or without having lawfully acquired the license or without having lawfully procured the relevant right in accordance with the law.

CHAPTER 9

MEANS OF IMPLEMENTING THE CODE OF ETHICS AND VIOLATIONS THEREOF

9.1 Outreach and Communication

The Company is committed to disseminating the Code using all available means of communication and opportunities.

The Supervisory Board, appointed pursuant to Legislative Decree 231/01, which is referred to in the Organizational Model adopted by the Company, will be responsible for:

- Clarifying through opinions the meaning and application of the Code;
- Establishing and disseminating the operating procedures through which anyone can report information about possible violations of the content of the Code;
- Examining the information received and conducting the most appropriate follow-up.

9.2 Reporting violations

Anyone who becomes aware or is reasonably convinced of the existence of a violation of the Code has a duty to immediately inform their supervisor and the Supervisory Board.

Reporting must be done in writing. The Company shall put in place the necessary measures to protect whistleblowers from any kind of retaliation, understood as an act that may give rise to discrimination or penalties.

The responsibility for conducting investigations into possible violations of the Code rests with the Supervisory Board, which may, if necessary, hear the author of the report as well as the person responsible for the alleged violation; personnel are expected to cooperate fully with any internal investigations.

As a result of this activity, the Supervisory Board will report to the competent function those behaviours that provide grounds for the application of possible disciplinary and sanctioning measures.

9.3 Penalty consequences

Compliance with this Code of Ethics must be considered an essential part of the contractual obligations of the employees of AGRIFARMA S.p.A., pursuant to and for the purposes of Article 2104 of the Civil Code and in accordance with the regulations applicable to them on the subject of employment relations.

Consequently, any violation of the provisions of the Code of Ethics may constitute a breach of the obligations of the employment relationship and/or a disciplinary offence in accordance with applicable regulations, with all legal consequences, including with regard to the preservation of the employment relationship, and may result in the obligation to compensate for damages arising therefrom.

The sanctions imposed by the corporate body assigned to this purpose will be proportionate to the seriousness of the violations committed, and, in any case, in accordance with the current provisions on labour relations.

It is understood that violations carried out by individuals in positions of representation, administration or management within the Company will result in the competent corporate body taking the sanctioning measures deemed most appropriate in relation to the nature and seriousness of the violation committed and the qualification of the perpetrator, in accordance with applicable regulations.

CHAPTER 10

ADOPTION OF THE CODE OF ETHICS AND RESPECTIVE AMENDMENTS

This Code of Ethics was approved by the Company's Board of Directors on 26 September 2012.

Any changes and/or updates will be approved by the same corporate body and promptly communicated to the Addressees of the Code.

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