



CODE OF CONDUCT AND DISCIPLINARY REGULATION

Putignano 30.01.2018

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THE CODE OF CONDUCT

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The reasons of the Code of conduct

The present Code of conduct is completed by a un Disciplinary Regulation inspired by the principles contained in the laws and in the secondary regulation, with particular reference to the collective contracts.

In the Code of Conduct there are the behaviour manner which both the employees of MERAK Spirits & Drinks S.r.l. and anyone else get in contact with the company (f.i. lawyers, consultant and so on) must respect, in order to avoid any possible type of offence which can involve the Company.

The administrator of MERAK Spirits & Drinks S.r.l. commits himself to promote the code of Conduct among the Manager departments, consultants and external collaborators. MERAK Spirits & Drinks S.r.l. will consider all the suggestions, considerations and observations which could arise, with the focus of a dynamic perspective of the Code and not static.

A copy of the present Code is consigned to all the personnel of MERAK Spirits & Drinks S.r.l., so that all of them can get acquaintance of it in a preventive way. Furthermore, the Code is available in electronic format on the website of MERAK Spirits & Drinks S.r.l. to guarantee the larger diffusion for all the third parties who can get in contact with the Company.

MERAK Spirits & Drinks S.r.l. check carefully on the compliance of the principles contained in the Code of conduct, by providing adequate means of information and control, and by assuring the transparency of the behaviors and of the operations performed, by intervening if necessary, with corrective actions.

The rules of the Code do not exempt from the observance of the current legislation. The action of MERAK Spirits & Drinks S.r.l. and of its personnel must be inspired by the values of legality, impartiality, confidentiality and transparency, focused on the prevention of violations.

Article 1: Purposes and functioning

1. This Code establishes the guiding principles, the directives and the basic rules of behaviour that personnel must observe and promote, within their respective competences and in relation to the role held in the company organization.

The principles contained in this Code of Ethics extend to all the operational processes in which the activities of MERAK Spirits & Drinks S.r.l. are executed, with the related responsibilities of the personnel in charge.

2. The purpose of the Code is to direct the Company's actions towards ethical behaviour, introducing a set of behavioural rules whose compliance is an essential condition for the achievement of its corporate mission. Therefore, the rules of the Code do not replace but integrate the fundamental duties of workers, and do not exempt from the observance of the civil, penal, administrative and contractual regulations in force on the matter.
3. With the approval of this Code, the Company wants to highlight the values of legality, impartiality, independence, confidentiality and transparency, aimed at greater operational efficiency. To these principles the action of MERAK Spirits & Drinks S.r.l. and its personnel must also comply with activities carried out in foreign countries, acting in compliance with the laws and regulations in force therein.

4. In the conduct of business, unethical behaviours compromise the relationship of trust between MERAK Spirits & Drinks S.r.l. and its stakeholders, that is, those categories of individuals, groups or institutions whose contribution is required for the realization of the company mission or who have an interest in its pursuit.

They are not ethical and encourage the adoption of hostile behaviours towards the Company, the behaviour of anyone, individual or organization, tries to appropriate the benefits of the collaboration of others, exploiting positions of strength. The unethical behaviours, therefore, affect the good reputation of MERAK Spirits & Drinks S.r.l. essential intangible resource to promote:

- outside, customer loyalty, attracting the best human resources, the serenity of suppliers, reliability towards creditors;
- inside, the implementation of decisions without frictions and the organization of work without bureaucratic checks and excessive exercises of authority.

5. This Code is based on an ideal of cooperation in view of a mutual benefit of the parties involved, respecting the role of each one. MERAK Spirits & Drinks S.r.l. requires, therefore, that each stakeholder act on him according to principles and rules inspired by a similar idea of ethical conduct.
6. A copy of this Code is given to all personnel of MERAK Spirits & Drinks S.r.l., so that proof of prior knowledge of the same is given. Furthermore, the Code is available in electronic format on the MERAK website Spirits & Drinks S.r.l.

The Company undertakes to recall compliance with the provisions of this Code in all the economic relationships established by it and to give it the greatest possible diffusion. To this end, the Code is made available to any interlocutor of the Company.

Article 2: Subjects

1. This Code must be observed by any subject of permanent or fixed-term employment contract or other relationship involving temporary work, carrying out activities in the name and on behalf of MERAK Spirits & Drinks S.r.l. or a fiduciary relationship with MERAK Spirits & Drinks S.r.l., including consulting activity. A similar obligation is, however, extended to persons who hold representation, administration or management functions of MERAK Spirits & Drinks S.r.l.
2. The Area Managers monitor compliance with the Code, give indications to employees who request clarification in case of doubts and, in the event of ascertained violation, report to the direct superiors.
3. The Area Managers shall also prepare the controls necessary to ensure compliance with the Code and, if they become aware of violations of the rules established by this Code, they shall report to the Sole Director (AMM). If the violations concern the Director, then the Shareholders' Meeting must be informed directly for the adoption of any measures and, if it is a matter of violations that may, even if at an indicative level, integrate any type of crime, it must be informed the judicial authorities in the forms and methods provided for by the Code of Rite.

Article 3: General Principles

1. The conduct of personnel (meaning "personnel" also the Sole Director, auditors and collaborators) both inside and outside the MERAK Spirits & Drinks Srl, must be informed of the rules of legality, correctness, loyalty, impartiality, professionalism and transparency in compliance with the duties of the office that govern the privacy and protection of privacy.
2. In the performance of their duties, the subjects required to comply with the Code place respect for the law to any other interest, informing their decisions and their behaviour in the care of the service performed.
3. In social relationships, the staff is committed to avoiding situations and behaviours that may harm the interests or the image of MERAK Spirits & Drinks S.r.l.
4. The communications of MERAK Spirits & Drinks S.r.l. directed to external subjects, meaning for them all the physical or juridical entities with which the Company has relations, made by the employee must be previously agreed with the direct superior.
5. Personnel shall conduct their conduct in such a way as not to assign to themselves or others any advantage in view of the position or role played within MERAK Spirits & Drinks S.r.l. .
6. Personnel who, by deeds relating to the exercise of their function as an employee of MERAK Spirits & Drinks Srl, become party - either as a person against whom investigations are being carried out or suspected or accused persons or subjects who are injured - in a proceeding criminal law, including the preliminary investigation phase, is obliged to promptly notify the AMM in writing
7. The recipients of this Code are prohibited from using for private purposes and in their own interest or for the benefit of others, information or documents, even non-confidential, which they have for office reasons. In particular, the different practices should be dealt with by the owners or their

representatives avoiding to discuss issues of office or to make documents available to persons or former employees of MERAK Spirits & Drinks S.r.l. unauthorized.

Article 4: Impartiality

1. The top management (Sole Director and Area Managers, as employees of the Sole Director) ensure equal treatment of all those who come into contact with MERAK Spirits & Drinks S.r.l.; to this end, AMM does not refuse or grant any services that are normally granted or refused to others.
2. The staff rejects the illegitimate pressures, even if coming from his direct superiors, and follows the correct procedures for the activity assigned to him.
3. In the event that the personnel of MERAK Spirits & Drinks S.r.l. undergo pressure, flattery or requests for favours regarding the company or receive proposals that damage the duty of impartiality, without delay informing the Area manager who, in turn, gives notice to AMM. If the pressures, flattery or requests are addressed to the Area manager, he will inform AMM directly. If, then, addressed directly to the Administrator, he will inform the Shareholders' Meeting.
4. The top management can participate in the adoption of decisions or activities relating to the legal status or economic treatment of relatives or cohabitants who are employees of MERAK Spirits & Drinks S.r.l. provided that the shareholders' meeting is informed.

Article 5: Transparency

1. The principle of transparency is based on the truthfulness, clarity and completeness of the information.
2. Compliance with this principle implies a commitment to provide the necessary information, both inside and outside the MERAK Spirits & Drinks S.r.l., in a clear and complete manner.

Article 6: Confidentiality

1. Without prejudice to the prohibitions and obligations provided for by the law, staff shall not release information on acts or measures relating to administrative, civil and criminal proceedings in progress, as well as to the practice procedure, before they have been officially approved by MERAK Spirits & Drinks Srl and formally communicated to the parties. In any case, for the release of any information it is necessary the prior authorization from the direct superior.
2. Personnel, without prejudice to the observance of the rules for the protection of privacy, respects the secrecy of the office and keeps confidential the news and information learned in the exercise of its functions. Personnel observe the duty of confidentiality even after termination of service.
3. Personnel consults only the deeds and files to which they are authorized to access and make use thereof in accordance with the duties of the office, allowing access to third parties only in the cases provided by law, and to colleagues for reasons of service, in compliance with the requirements issued by the office.

Article 7: Conflict of interests and external activities

1. The recipients of this Code, without prejudice to the provisions of the contractual rules on the subject, must not assume external positions in companies or commercial enterprises whose interests are directly or even potentially conflicting or interfering with those of MERAK Spirits & Drinks S.r.l. and, in any case, do not accept assignments of collaboration with persons or organizations who have, or have had in the previous two years, an economic interest in decisions or activities related to the office.
2. For the purposes referred to in the previous paragraph, the personnel of MERAK Spirits & Drinks S.r.l. informs the Area manager who informs AMM of the activities and tasks proposed to him to allow the assessment of any reasons for incompatibility. If the incompatibility concerns the Area manager, he will inform AMM directly. If, then, concern the Administrator, he informs the shareholders' meeting to evaluate the existence or otherwise of incompatibilities.

Article 8: Gifts/other utilities in favour of the employees of MERAK Spirits & Drinks S.r.l.

1. The employee in no case asks for himself or for others, does not accept even on special occasions gifts, goods, or other benefits from suppliers, commission agents or contractors of or companies in any case interested in supplies from MERAK Spirits & Drinks S.r.l.
2. If it is impossible to refuse or return the gift, or the refusal may have negative consequences on the relationship, the employee must inform the Area manager who will propose to the Administrator the actions to be undertaken. If the recipient is the Area manager, he must inform the Administrator directly. If, then, the recipient is directly the Administrator, he must carefully consider the opportunity to keep the gift, if it is of modest value and falls within the uses.

Article 9: Human resources policies of MERAK Spirits & Drinks S.r.l.

1. The selection of the personnel to be hired is carried out based on the correspondence of the candidates' profiles with respect to the company needs and in full respect of the principle of equal opportunities among all the subjects involved.

The Company adopts appropriate procedures aimed at avoiding favoritism in the selection and recruitment of personnel.

2. In personnel management, MERAK Spirits & Drinks S.r.l. it avoids any form of discrimination and offers all workers the same opportunities, so that everyone can enjoy fair treatment based on merit criteria.

Therefore, the competent functions must adopt criteria based on the correspondence between the expected profile and the profile possessed (for example for promotions) and / or on merit and competence assessments (for example for incentives).

3. The managers use and fully exploit all the professional skills present in the structure, encouraging the development and growth of their employees, including providing opportunities for participation in discussions and functional decisions regarding the achievement of corporate objectives.
4. MERAK Spirits & Drinks S.r.l. provides all employees with information and training tools, with the aim of enhancing the specific skills and professionalism of the staff.
5. MERAK Spirits & Drinks S.r.l. reserves particular attention to the training of both newly hired staff and staff already operating in the company.
6. MERAK Spirits & Drinks S.r.l. undertakes, also in accordance with the art.49 of the national collective agreement, to protect the moral integrity of collaborators, guaranteeing the right to working conditions that are respectful of the dignity of the person. Therefore, it requires that in the internal and external work relations no harassment such as:
 - unjustified interference in the performance of work performed by others;
 - creation of an intimidating and hostile working environment towards an individual or groups of workers;
 - obstacle to individual job prospects for reasons of personal competitiveness.

MERAK Spirits & Drinks S.r.l. protects workers from acts of psychological violence and opposes any behaviour that is discriminatory or detrimental to the person and his convictions.

In compliance with article 48 of the national collective agreement, the company does not allow the accomplishment of sexual harassment understood as:

 - proposals for interpersonal relationships not pleasing to the recipient;
 - subordination of events relevant to the employee's working life in favour of sexual activities.
7. MERAK Spirits & Drinks S.r.l. requires that each employee personally contribute to making the working environment respectful of the sensitivity of others.

Article 10: Usage of company assets

1. The company assets, and in particular the communication tools, telephone sets and personal computers are assigned to the staff in relation to the work activity. Therefore, the use of these must be limited to professional needs.

Article 11: Environment

1. MERAK Spirits & Drinks S.r.l. pays particular attention to environmental issues and, in this sense, commits itself to adopting company strategies and techniques that improve the environmental impact of its activities, in compliance with current legislation and also taking into account the development of scientific research and the best experiences.
2. In order to reduce environmental risks, MERAK Spirits & Drinks S.r.l. undertakes to operate in line with the following principles:

- a. To manage in sustainable way the natural resources and energy enhancing their use, paying particular attention to reducing waste and increasing the use of renewable resources;
 - b. design and implement production processes and business activities with criteria to prevent pollution, reduce environmental impacts and prevent accidental events;
 - c. implementation of all the actions necessary to ensure compliance with current regulatory provisions;
 - d. constant updating of personnel on legislative and environmental legislation evolution, through periodic courses held by the Area manager to the staff members of the same; is. awareness and involvement of staff on environmental issues, in order to achieve high standards of professionalism.
3. The sense of responsibility, the behaviour and the attitudes assumed towards the corporate aspects related to the correct management of environmental problems, are an integral part of the job of each employee and are a significant element of judgment on the performance of each employee and on the quality of those rendered by third parties.

Article 12: Safety and health in the workplaces

1. MERAK Spirits & Drinks S.r.l. is committed to promoting the culture of safety by developing awareness of risks and promoting responsible behavior by all employees, including through training sessions aimed at staff, aimed at the proper exercise of their activities in this regard.
2. MERAK Spirits & Drinks S.r.l. works to protect workers' health and safety, especially with preventive actions.
3. All the employees and collaborators of MERAK Spirits & Drinks S.r.l. they must comply with the regulations in force and with the company regulations concerning occupational safety and hygiene in order to guarantee and preserve the safety and healthiness of the workplace.
4. MERAK Spirits & Drinks S.r.l. pays attention to the evolution of the reference scenarios and the consequent change in risks and to this end implements technical and administrative interventions through:
 - the introduction of an integrated risk and security management system;
 - a continuous analysis of the risk, of the critical aspects of the processes and of the resources to be protected;
 - control and updating of work methods;
 - the contribution of training and communication interventions

Article 13: Computer Systems

1. The use of corporate IT resources must always be based on the principles of diligence and correctness.

2. The personal computer and the mobile communication systems and the related programs and / or applications entrusted to the employee are working tools and, therefore, must be kept in an appropriate manner with respect of the legislation on privacy and professional secrecy.
3. To the employees of MERAK Spirits & Drinks S.r.l.:
 - it is not allowed to surf in sites not related to the performance of the assigned duties;
 - the storage of IT documents of an incoherent and / or discriminatory nature by sex, language, religion, race, ethnic origin, opinion and union and / or political affiliation is not permitted;
 - it is strictly forbidden in any case to connect or otherwise access sites whose contents may make it appear to be crimes against the person
4. MERAK Spirits & Drinks S.r.l. will verify, within the limits allowed by the legal and contractual rules, compliance with the rules and the integrity of its IT system.

Article 14: Relationship with customers and suppliers

1. In the relations with the customers the personnel of MERAK Spirits & Drinks S.r.l. of:
 - characterize the style of behaviour with a view to a collaborative relationship and high professionalism;
 - provide, with efficiency and courtesy, within the limits of the contractual provisions, quality services in line with the reasonable expectations of the client;
 - provide accurate and comprehensive information on the services provided in such a way as to allow the customer to make informed.
2. In the relationship with customers MERAK Spirits & Drinks S.r.l. it is inspired by the principles of transparency, clarity, completeness, compliance with laws, safety and quality of service rendered. In particular, the Company must communicate to its customers, in a timely manner, any information relating to:
 - any change to the contract;
 - any change of the economic and technical sales conditions.
3. In the phases of procurement of goods, services, services and resources necessary for carrying out its activities, MERAK Spirits & Drinks S.r.l. imprints its conduct in search of quality and economy and the recognition of equal opportunities for each supplier.
4. Suppliers undertake to adhere to this Code of conduct, implicitly attesting to their own requirements of fairness and ethics.
5. Therefore, in relations with suppliers of products and services, the personnel of MERAK Spirits & Drinks S.r.l.:
 - must select suppliers based on objective criteria such as price and quality of service and products, in compliance with the principles of legality, transparency, competition and equal conditions of offers and in order to ensure maximum competitive advantage for MERAK Spirits & Drinks Srl.;

- in the selection of the supplier must also take into account the ability to ensure the implementation of adequate corporate quality systems, the availability of resources and organizational structures and the ability to meet the confidentiality obligations;
 - must guarantee equal treatment of proposing companies, refrain from any preferential or favourable treatment with respect to any of the suppliers;
 - must maintain relationships with suppliers in line with the contractual conditions and the provisions of the law.
6. It's forbidden to the personnel of MERAK Spirits & Drinks S.r.l. to receive collaborations in any form and / or modality from suppliers of MERAK Spirits & Drinks S.r.l.
 7. The employee does not accept from the suppliers and from any contractor of MERAK Spirits & Drinks S.r.l., for personal and / or third-party use and / or advantage, utilities due to the purchaser in relation to the purchase of goods and services for official reasons.

Article 15: Relationship with Public Administration

1. In the Relationship with Public Administration, MERAK Spirits & Drinks S.r.l. inspires and adapts its conduct to the principles of fairness and honesty.
2. In the relationship that the staff MERAK Spirits & Drinks S.r.l. maintains, also through third parties, with the Public Administration (hereinafter P.A.) the following principles must be respected:
 - relations with P.A. they must be based on respect for the law;
 - it is forbidden to put in place behaviours that, in order to guarantee an interest or advantage of the Company, are such as to integrate criminal offenses;
 - it is not permitted, either directly or indirectly, or through an interposed person, to promise or pay money, gifts or assets or other benefits, in any form, or to exert illegal pressures, or to promise any object, service, performance or favour to managers, officials or employees of the Public Administration, including foreign, or their relatives or cohabitants to induce the PA to the carrying out of acts in the interest to advantage or of MERAK Spirits & Drinks S.r.l.;
 - it is not permitted to present untruthful declarations to national or community public bodies in order to obtain public funds, subsidies or subsidized loans, or to obtain concessions, authorizations, licenses or other administrative documents;
 - it is forbidden to allocate sums received from national or community public bodies in the form of grants, contributions or loans, for purposes other than those for which they were assigned.

Article 16: Relationship with political parties, labour unions and associations

1. It is forbidden to the persons appointed by MERAK Spirits & Drinks S.r.l. to allocate loans to political parties, movements, committees and organizations, or to their representatives and candidates outside those provided for by law.

2. It is also forbidden to conduct aimed at influencing, directly or indirectly, political exponents. In this sense, the Company abstains from making contributions to organizations with which a conflict of interest could arise.
3. MERAK Spirits & Drinks S.r.l. it can also cooperate financially with non-political associations for specific projects, based on the following criteria:
 - a. aims related to the company mission;
 - b. clear and documentable destination of the resources;
 - c. express authorization of AMM.

Article 17: Sponsorship and fundings

1. MERAK Spirits & Drinks S.r.l. undertakes to sponsor only events that offer quality assurance.
2. It is forbidden to join sponsorship proposals if there could be a possible conflict of interests of a personal or business nature.

Article 18: Transparency of balances and social communications

1. Accounting transparency is based on the truth, accuracy and completeness of the information preordained to accounting records. It is forbidden to put in place behaviors that may prejudice the transparency and traceability of information.
2. Each operation and transaction carried out in MERAK Spirits & Drinks S.r.l. must be correctly registered. Each operation must be supported by adequate documentation, in order to be able to carry out checks that certify the characteristics and motivations of the operation and identify who authorized, performed, recorded and verified the operation itself.
3. The financial statements, reports and corporate communications required by law must be drawn up, in compliance with the code and accounting standards, with clarity and transparency and to represent correctly and truthfully the financial position of the Company.
4. All personnel of MERAK Spirits & Drinks S.r.l., including the accounting and tax adviser involved in the internal proceedings must: i) provide clear and complete information; ii) ensure the accuracy of data and processing; iii) to report the presence of conflicts of interest; iv) not interfere, by any means, on the content of the reports or communications of the persons responsible for the audit or, in any case, influence their independence; v) not to prevent or hinder the regular performance of the activities of the corporate bodies and of the shareholder, collaborating, where required, for the fulfilment of any form of social management control, as provided by law.
5. It is forbidden for top management to behave in ways that prevent or otherwise hinder the right to information and therefore the control activity of each member.
6. The people of MERAK Spirits & Drinks S.r.l. who, at any level, learns of omissions, falsifications, negligence of accounting or documentation on which the accounting records are based, are required to report the facts to the shareholders' meeting.

Article 19: Other company fulfilments

1. MERAK Spirits & Drinks S.r.l. commits itself to:
 - not carry out, even through simulated conduct, refunds of contributions made by the shareholder or release him from the obligation to carry them out of cases of legitimate reduction of the share capital;
 - not to resolve allocations of profits or advances on profits not effectively earned or destined for legal reserves or to distribute unavailable reserves;
 - not to carry out reductions in share capital, mergers or demergers in violation of the provisions of the law to protect creditors;
 - not to form or fictitiously increase the capital of the Company, by assigning units for an amount lower than their nominal value, not to deliberate mutual subscription of shares or quotas, significant overvaluation of the contributions of assets or receivables, or the assets of the Company in case of transformation;
 - not to determine, with simulated or fraudulent deeds, the resolutions in the assemblies of the Company.

Article 20: Communication and diffusion

1. Communications with the outside world and relations with the media are carried out exclusively by AMM or, specifically by proxy, by the Area manager, in order to standardize the business guidelines.
2. Exemptions from the above rule may be granted with the authorization of one of the persons referred to in the first subparagraph.
3. The recipients of this Code must refrain from public statements that damage the image of MERAK Spirits & Drinks S.r.l..
4. The employee, if requested by the media, must direct each applicant to AMM.

Article 21: Disciplinary action

1. The present Code of conduct constitutes a specific duty for all recipients and the rules contained therein represent service provisions, as such binding and mandatory, in addition to all other regulations and service provisions. Any violation will be assessed on the basis of the principles contained in the Disciplinary Regulation which constitutes an integral part of this Code of conduct. Without prejudice to the foregoing, any violation of this Code will also be assessed in relation to the current provisions of law and contracts as civil, criminal and administrative liability.
2. In the context of relations with suppliers / clients, will be included resolving clauses expressed in relation to behaviours that are contrary to the principles of this Code.
3. All interested parties, internal and external, are required to report in writing, any non-compliance with the Code. The Company undertakes to protect the authors of the reports against any

retaliation they may encounter, and to keep their identity confidential, except for rights of third parties and specific legal obligations.

4. In case of proven infringement, MERAK Spirits & Drinks S.r.l. will adopt the disciplinary measures and / or legal actions that become necessary.

Article 22: Approval

1. The Code is adopted by the Company after the approval of the Shareholder's meeting, upon the proposal of the Director. Every modification and integration will follow the same approval process.

THE DISCIPLINARY REGULATION

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INTRODUCTION

A qualifying point of the Code of conduct is constituted by the provision of an adequate system of sanctions for the violation of the principles contained therein, which are considered dispositions given by the employer as foreseen by the art. 2104 c.c.

Given the seriousness of the consequences for the Company, in the event of unlawful conduct of employees, directors and consultants, any failure to comply with the Code of conduct constitutes a violation of duties of care and loyalty (Article 2104, 2105 and 2106 of the Civil Code) and, in the cases more serious, it damages the relationship of trust established with the Company.

The violations of the Code of conduct will be subject to the Disciplinary actions set out below, regardless of any liability of a criminal nature and the outcome of the related judgment and in full compliance with the Law of May 20, 1970 n. 300 of the CCNL for the food sector (crafts) in force and of company procedures.

In fact, as established in art. 1, paragraph 2, of the Code of conduct of MERAK Spirits & Drinks Srl, the rules contained therein "do not replace, but integrate the fundamental duties of workers, and do not exempt from compliance with civil, criminal, administrative and contractual law in force".

Therefore, the present system of sanctions is prepared in compliance with the matters established in the disciplinary field by the CCNL already operating at the Company.

It seems appropriate to refer to the discretion of the Administrator, in compliance with the limits imposed by the law in force, the choice of the sanction to be applied to categories of conduct or individual conduct.

This structure, in fact, guarantees the possibility of considering, for the purposes of identifying the sanction to be applied to the specific case, also the merit of the conduct globally demonstrated by the individual employee, during the entire period of work performance.

Given the above, however, it may be useful to indicate some criteria to which the above mentioned sanctions should be subject to.

Type of penalties and application criteria

According to the art. 53 e 54 CCNL for the food sector (crafts), the violation of duties deriving from the law, regulations, bargaining and company regulations (including the Code of conduct), is sanctioned, proportionally to its severity, through the following disciplinary measures imposed by the administrator of conduct):

- a. Verbal reprimand;
- b. Written reprimand;
- c. Fine till to a maximum of 3 hours of salary;
- d. Suspension from work and of the salary till to a maximum of 3 days;
- e. Sacking without notification.

The type and the entity of the sanctions are determined considering also:

- Intention of the behaviour;
- The criminal relevance of the infringement of rules and dispositions;
- The grade of disservice or danger provoked by imprudence and negligence demonstrated, considering also the probability of the event;
- The possible existence of aggravating or mitigating circumstances;
- responsibilities arising from the employment position occupied by the employee. In this context, the figure of the Area manager is particularly important;
- to the competition in the violation of several employees in agreement with each other;
- the overall behaviour of the worker, with particular regard to the previous disciplinary of the previous two years.

Infraction and related sanctions

a-b) Verbal reprimand – written reprimand

The sanction of the verbal reprimand or of the written reproach will be imposed on workers who commit failures such as those listed below for reference, such as to exclude the applicability of further and subsequent sanctions indicated, and more precisely:

- in any way you commit slight transgression to one or more violations of the Code of conduct or Company procedures.
By slight transgression we mean: any violation that has not caused damage and / or prejudices of any kind, including the prejudice to the image of the institution and has not produced consequences in relations with other employees of the institution itself.

c) Fine till 3 hours

The fine will be fined up to 3 hours for workers who commit defects such as those listed below for reference:

- negligence in carrying out the work;
- recurrence (at least three times) in the failures sanctioned with written reproach

d) Suspension from work and of the salary till to a maximum of 3 days

It will be applied a suspension from 1 till to 3 days for the workers committing actions like the ones listed below as examples:

- he doesn't inform promptly the managers or the bosses of probable infringements of the Code of conduct or of the Company procedures committed by other employees, which determine an asset damage to the Company or make it expose to an objective situation of danger for the integrity of the assets or of the image, in case of violations executed by colleagues or members of the department where he belongs to;
- he commits, somehow, serious violations of the Code of conduct or of the Company Procedures, also if they determine an asset damage to the Company or make it expose to an objective situation of danger for the integrity of the assets or of the image;
- repetition (at least twice) of the infringements sanctioned with a fine;

This kind of measure will be also applied in case the infringements don't find any position among the ones described previously, even though they are not so serious for applying a bigger punishment.

e) Sacking without notification

The sanction of the dismissal will be imposed on workers who commit infractions to the discipline and the diligence of the work of gravity that irreparably damage the relationship of trust and not allow the continuation even provisional of the employment relationship; o who commit acts that constitute a crime, even if not specifically mentioned in C.C.N.L. already operating at the Company, such as:

- carries out, with fraudulent intent, circumvention of the rules referred to in the Code of conduct or Company Procedures;
- commits one or more crimes that compromise the relationship of trust with the employer;
- requires and / or accepts to / from third parties' compensation, for whatever reason, in connection with the performance of the work performance;
- reiterates (at least twice) the violations punished by suspension;

The provisions sub a - b), c), d) and e) are adopted by the Sole Director, promptly informing the Supervisory Body.

For the sanction procedure, reference should be made to the provisions of collective bargaining.

Sanctions against administrators

In case of violations to the rules of the Code of conduct, committed by the Administrator, the Assembly could decide for a fine up to 50% of the annual salary predicted for him.

The fine will be modulated according to the importance of the committed violation and its consequence on image, reputation and reliability of the Company.



Whether the violation determines a great lack of fulfilment, i.e., in case of violations which ruin the trusting relationship with the Company, the Assembly of Shareholders, could dissolve the relationship with the Administrator, taking into consideration also the actions for damages which are regulated and predicted.

Sanctions for suppliers, consultants and external collaborators

Failure to comply with the precepts contained in the Code of conduct may result in termination of the employment relationship with third parties, on the basis of an explicit contractual provision.

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BELTION

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