



**INTERNAL DEALING  
CODE OF CONDUCT**

*Approved by the Board of Directors on March <sup>th</sup>7, 2003*

**Article 2.6.3.**  
**(obligations of the Issuer)**

1. In compliance with section 2.6 of the Italian Stock Exchange Regulation in relation to "**Obligations of the Issuer**" the Board of Directors of the Ceramiche Ricchetti S.p.A. Group adopts the following code of conduct, in order to regulate disclosure requirements and any restrictions on transactions referred to in Article 2.6.4. of the Italian Stock Exchange Regulation carried out for own account by significant persons.
2. The company, in the code of conduct:
  - identifies the *significant persons* subject to the disclosure requirements laid down in the code as follows:
    - o the members of the Board of Directors;
    - o the standing Statutory Auditors;
    - o the employees of the Group (Investor Relator, Accounting Manager, Brand Managers, Group Controllers) and the General Managers of its subsidiaries operating in certain sectors, who by virtue of their duties may have access to information, relating to facts which can determine significant changes in the economic and financial prospects of the Group and likely, if made public, to have a significant effect on the price of its listed financial instruments.
  - defines the behaviour and disclosure requirements significant persons are required to comply with vis-à-vis the company for the purposes of Article 2.6.4 of the Regulation; the company formally communicates in writing to the significant persons identified in the above-mentioned list the adoption of the Code of Conduct and binds them to:
    - A) Conduct obligations:
      - a.1. Each significant person is bound to refrain from publishing important information in their possession that is not in the public domain;
      - a.2. Each significant person is bound to refrain from carrying out, directly or indirectly, transactions of any nature on financial instruments of the Company or of the companies of the Group making use of important information in their possession that is not in the public domain.
    - B) Disclosure obligations:
      - b.1. Each significant person is bound to communicate to the Company important transactions made in each reporting period (identified as each quarter) whose aggregate value is equal to or greater than Euro 50.000 (fifty thousands euro);
      - b.2. Each significant person is bound to communicate to the Company the important transactions whose amount together with other transactions made in the period and not previously communicated, is greater than Euro 250.000 (two hundred fifty thousands euro) (Significant transactions).

The important transactions must be communicated to the company within 5 working days from the end of each reporting period.

The significant transactions must be communicated to the company without delay

- identifies in the person of the Investor Relator the person responsible for receiving and managing the information referred to in Article 2.6.4 of the Regulation and making it available to the market; the duties of the Person Responsible for receiving, managing and disclosure to the market will be:

- a) to deliver *personally* the Internal Dealing information to the significant persons;
- b) provide assistance to the significant persons in order that the transactions are communicated to the company in the shortest time possible and in the manner as established;
- c) ensure the receipt of the notices from significant persons and to their timely communication to the market;
- d) keep the Administrative Bodies of the company up-dated on the communications received and transmitted the market;
- e) maintain records of the communications received and transmitted to the market.

In the fulfilment of his duties, the Person Responsible is bound to the respecting of the procedures and internal rules concerning the treatment of confidential information (privacy).

- established that *important transactions* must be communicated by the significant persons within 5 working days from the end of each reporting quarter; while *significant transactions* must be communicated by the significant persons without delay; established the contents of the communication which should be prepared as per attachment A, the method for the transmission of information can be made via:

Delivery Brevi Manu;

Via Fax transmission to the number + 39 0536/992794;

In addition to the e-mail address: [investor.relations@ricchetti-group.com](mailto:investor.relations@ricchetti-group.com)

The significant persons will have to forewarn by telephone the sending of the documentation to the person responsible at the number + 39 0536/992783.

3. The Board of Directors reserves the faculty, subject to communication, to prohibit or restrict significant persons carrying out transactions referred to in Article 2.6.4 of the Code of Conduct in given periods of the year.

#### **Article 2.6.4**

##### ***(Transactions performed by significant persons)***

1. The company will inform the market:
  - o of the *important transactions* performed by significant persons, within the tenth day of the opening of the stock exchange following the end of the reporting period (quarter);
  - o of the *significant transactions* performed by each significant person as soon as this is communicated to the company and in any case without delay.

The communication to the market will be made by the Company through the sending of a communication to the Italian Stock Exchange using the NIS system.

The communication will relate to transactions involving:

- a) listed financial instruments issued by the issuer or its subsidiaries, except for inconvertible bonds;
  - b) listed or unlisted financial instruments that give the right to subscribe for, buy or sell the instruments specified in subparagraph a);
  - c) derivative financial instruments and covered warrants having as their underlying financial instruments referred to in subparagraph a), also in the case where the exercise thereof involves the payment of a cash differential.
2. For the purposes established in paragraph 1:
- a) **account shall be taken** of transactions carried out by each significant person, by his or her spouse if not legally separated and by minor children and of transactions they have had carried out by nominees, trustees or subsidiary companies;
  - b) **account shall not be taken** of securities lending transactions where the significant person or one of the other persons referred to in subparagraph a) is the lender, or of the constitution of pledge or usufruct rights;
  - c) **account shall not be** taken of transactions whose aggregate value is less than Euro 50.000 (fifty thousands euro) for each reporting period;
  - d) **account shall not be** taken of transactions carried out, even if by means of nominees or trustees, between the persons specified in subparagraph a);
  - e) **account shall not be** taken of transactions carried out in connection with the management of portfolios of investments on a client-to-client basis where the client has expressly and irrevocably renounced the right to give instructions.
3. Transactions referred to in paragraph 1 whose value is significant, that is whose aggregate value is greater than Euro 250.000 (two hundred fifty thousands euro), shall be promptly disclosed to the market by the company in the manner provided for therein, except as required by Article 2.6.3, paragraph 2.
4. The company will promptly inform the market of the adoption of the code of conduct, at the same time as its approval by the Board of Directors.
5. At the same time as the disclosure referred to in paragraph 5 is made, the company shall send to the Italian Exchange a copy of the code of conduct. Every subsequent amendment to the code must be promptly notified to the Italian Exchange.

### **Regulation coming into effect**

The code of conduct referred to above will come into force from January 1, 2003; as a consequence the first reporting period will be the quarter January 1, 2003 -- March 31, 2003.

### **Sanctions for inobservance of the Regulation**

The inobservance of the prescribed disclosure attributes the right to the Italian Stock Exchange, taking into account the seriousness of the violation and any reoccurrences, to impose the following sanctions on the issuer:

1. private written warning;
2. public written warning;
3. pecuniary sanction between Euro 5.000 (five thousands euro) and Euro 100.000 (one hundred thousands euro)

For those who are members of the Board of Directors, Statutory Auditors, and employees of the Ricchetti Ceramiche S.p.A. Group the inobservance could result in the possible application of disciplinary sanctions, provided that they are responsible.

Details per consolidated company are as follows:

<i>Gruppo Ceramiche Ricchetti S.p.A</i>	
Gruppo Ceramiche Ricchetti S.p.A. Italy	46%
Cinca Companhia Industrial de Ceramica SA – Portugal	12,5%
BizTiles Italia S.p.A	12,5%
CC Hoganas Byggkeramik AB – Swedn	10%
OY Pukkila – Finland	5,5%
Klingenberg Dekoramik AB – Germany	3,5%
Evers AS – Denmark	2,5%
Hoganas Byggkeramik AS – Norway	2,5%
Other companies	5%
Total of Ricchetti Group	100%

## Attachment A

### Communication of the transactions of Insider Dealing referred to in Article 2.6.4., paragraph 1 letter a) and b)

Company: <b>Ricchetti Group S.p.A.</b>												
Reference Period:												
Communication:                      quarterly ?                      prompt ?												
Declaration:				Qualification:								
<b>Communication referred to in art. 2.6.4. paragraph 1. letter a), as well as of convertible bonds</b>												
Date	Operation <sup>1</sup>	Financial Instrument <sup>2</sup>	Isin code	Quantity	Unit Price	Value	Type of Transaction <sup>3</sup>					
Sub-Total (A) <sup>4</sup>												
<b>Communication referred to in art. 2.6.4. paragraph 1. letter b) and c)</b>												
Date	Operation <sup>5</sup>	Financial Instrument <sup>6</sup>	Category <sup>7</sup>	Isin Code	Underlying Financial Instrument <sup>8</sup>	Actual Investment/ Disinvestment			Potential investment/ disinvestment			Conditions <sup>9</sup>
						Q.ty	Price	Value	Q.ty	Price	Value	
Sub-TOTAL (B) <sup>10</sup>												
<b>TOTAL (A) + (B)</b>												

<sup>1</sup> Indicate the kind of transaction:

A = Purchase

V = Sale

S = Subscription

O = Other, in which case specify

<sup>2</sup> Indicate the financial instrument involved in the transaction:

AZO = ordinary shares

AZP = preferred shares

AZR = saving shares

OBCV = convertible bonds

O = Other, in which case specify the financial instrument

In case of transactions regarding financial instrument of parent companies, indicate the Company

<sup>3</sup> Indicate the kind of action from which the transaction derives:

- Transaction on the market;
- Transaction outside the market;
- Conversion of convertible bonds;
- Exercise of warrant;
- Exercise of derivative instrument;
- Exercise of covered warrant;
- Other, in which case specify

<sup>4</sup> Indicate the total amount of the value.

<sup>5</sup> Indicate the kind of transaction:

A = Purchase

V = Sale

O = Other, in which case specify

<sup>6</sup> Indicate the kind of derivative financial instrument:

W = warrant

OPZ = option

PR = premium

CW = covered warrant

O = Other, in which case specify

<sup>7</sup> Indicate the kind of derivative financial instrument:

C = call

P = put

O = Other, in which case specify

<sup>8</sup> Indicate the financial instrument underlying

<sup>9</sup> Indicate the main conditions characterizing the financial instrument (including at least :strike price, exercise ratio and expiry date)

<sup>10</sup> Indicate the total amount of the operations