

## CODE OF ETHICS

### INTRODUCTION

Strongly convinced that ethics should be an essential and indispensable aspect of the activity of Canali S.p.A., the company considers it appropriate to adopt and disseminate this Code of Conduct (Code of Ethics), with which the corporate bodies, management, employees and all those who contribute in any way to the activities of the Company (“Recipients”) are required to comply within the limits of their competences, functions and responsibilities.

The Company recognises the following primary values at the basis of the Code of Ethics:

•*The dignity of the person and the respect for people and rules through a behaviour based on honesty. Integrity, loyalty, correctness and mutual trust.*

It is primarily important for Canali S.p.A. to allow through its business hundreds of people to work with dignity and satisfaction in the factories, shops and offices of the Company with respect for and in the interest of the community in which they are inserted.

All these principles must inspire all those who work for the company and in no case a behaviour in violation of these principles will be justified, even if adopted with the intention to act in the interests of the company.

The Code of Ethics is not an unchangeable document. The Company keeps it updated as a result of changes in the organisation, the context in which it operates and current regulations.

All the personnel of Canali S.p.A. are required to know and comply with the contents of the Code of Ethics. This is an integral part of the contractual obligations of the personnel pursuant to Article 2104 Italian Civil Code and obligations of the directors pursuant to Article 2392 Italian Civil Code for Italian subjects.

The personnel are obliged to observe the rules of the Code of Ethics and to immediately report any violation of the principles laid down therein to their superiors and to the Supervisory Body appointed pursuant to Italian Legislative Decree 231/01.

The adoption of some specific behaviours expresses the Company’s commitment to prevent the behaviours sanctioned by Italian Legislative Decree no. 231 of 8 June 2001 (administrative liability of legal entities resulting from offence).

## GENERAL PROVISIONS

### 1. Scope of application of the Code

The Code of Ethics applies to all employees, corporate officers (sole director, director, members of the corporate bodies) and to external collaborators (consultants, agents, suppliers), as well as to all those who work for various reasons in the name and on behalf of the Company (“Recipients”).

### 2. Dissemination and implementation of the Code

The commitment of the Company is to guarantee:

- a) maximum and effective dissemination of this Code;
- b) recurring verification of the degree of awareness and observance of the provisions contained in it;
- c) the application of penalties in the case of an ascertained infringement of a provision of the Code;
- d) constant updating.

The employees, as part of the relations with third parties (customers and suppliers) are obliged to:

- a) inform them promptly and adequately of the obligations imposed by this Code, requesting their compliance as well;
- b) refuse to establish or continue business relations with those who do not comply or intend to comply, in whole or in part, with the provisions of the Code;
- c) inform one’s own manager, the Supervisory Body or similar bodies of any conduct that violates this Code or that is such as to lead to its violation.

### 3. General principles

The Company undertakes to:

- a) ensure compliance with the laws and regulations in force in the State in which it operates and recommend their observance by all Recipients;
- b) ensure compliance with the values and principles of the Code of Ethics even when not required by local laws;
- c) ensure the application of penalties in case of violations of this Code by the Recipients;
- d) promote respect for professionalism, personal dignity and moral and physical integrity of each of its employees, together with the protection of safety and of the working environment;
- e) avoid, prevent and suppress all forms of discrimination based on sex, age, sexual orientation, race, nationality, socio-economic conditions, religious or philosophical beliefs, political opinions or trade union memberships;

- f) prohibit child labour if not in compliance with the terms and conditions provided by law;
- g) refrain from unlawful behaviours or, in any case, behaviours not in compliance with the above principles both in relations with the Public Administration and in relations with private entities;
- h) ensure fees and working hours in compliance with the laws in force for everyone, so that, in any case, employees can meet their needs.

#### **4. Principle of legality**

Canali S.p.A. operates in full compliance with the laws and regulations in force in the territory in which it operates, as well as with this Code of Ethics and with internal procedures.

This principle is binding on anyone acting in the name and on behalf of the Company.

A behaviour in contrast with the provisions of the law is in no way acceptable, even if made with the intent to pursue a company interest or a business advantage.

#### **5. Protection of public trust**

When carrying on its activity, the Company undertakes to comply with the regulations in force, adopting diligent behaviours to protect the community.

#### **6. Terrorism and subversion of the democratic order**

The Company undertakes to comply with any provision of law aimed at preventing and punishing terrorism and subversion of the democratic order. Adopting behaviours that can in any way favour, indirectly or otherwise, terrorist and subversive activities is absolutely prohibited.

#### **7. Protection of the environment**

Respect for the environment is a primary value; therefore, the entrepreneurial choices and work must comply with the principles of balance between economic initiatives and environmental requirements in full compliance with current regulations on environmental matters.

### **ACCOUNTING, INTERNAL CONTROLS AND ANTI-MONEY LAUNDERING**

#### **8. Accounting records**

The Company makes sure that the accounting is prepared in accordance with generally accepted accounting principles and with principles of truthfulness, correctness and clarity.

In this sense, all the recipients of this Code are required to collaborate so that each operation and transaction is properly verified and authorised, and timely and properly reflected in the company's accounting system according to the methods established by law and by the applicable accounting standards.

With respect to each operation or transaction, the personnel in charge is required to keep appropriate documents thereof, in order to allow a complete formal and chronological reconstruction of the facts at the origin of the records, as well as a timely review of the decision-making process in terms of legitimacy, consistency, fairness and identification of responsibilities.

The company promotes special training programmes in order to ensure adequate professional competence of the personnel in charge.

In cases of omission, forgery or inaccuracy of the accounting records or of the relevant documents, those who have become acquainted with them are obliged to immediately report to their supervisor and to the Supervisory Body.

## **9. Money laundering**

The Company undertakes to ensure that the carrying-on of its activity takes place in full compliance with the anti-money laundering legislation and with all the provisions issued by the competent Authorities.

For this reason, all the Collaborators and Recipients of this Code are required to operate in such a way as to avoid being implicated or involved in operations likely to encourage - potentially or otherwise - money laundering. Purchasing, replacing or transferring money, goods or other benefits of criminal origin is not allowed. Accepting or carrying out payment orders given by unknown subjects and operating on anonymous or fictitious current accounts are not allowed as well.

In any case, payments or receipts are not allowed in any form other than those provided by the protocols of behaviour established by the Company and as required by the regulations in force in the different countries concerning the restriction on the transfer of financial resources.

## **ETHICAL PRINCIPLES OF THE TOP MANAGEMENT**

### **10. General principles**

The Sole Director and the Board of Statutory Auditors of Canali S.p.A. as well as the Administrative

Bodies, Supervisory bodies and the management of the Company are required to observe this Code and act always with honesty, correctness, loyalty and integrity.

Each of them must have a model behaviour, demonstrating dedication to work, loyalty and competence, inspiring confidence to their employees and enhancing them, taking account of their personal abilities and professional skills as well as of their experience.

### **11. Conflicts of interest**

All subjects referred to in the article above, along with employees and collaborators, are required to avoid situations of conflict of interest, such as, by way of example:

- i) taking on positions or carrying out any kind of work with customers and/or suppliers and/or competitors;
- ii) taking on personal or family economic and financial interests in activities of suppliers or customers (taking qualified direct or indirect shareholdings in the capital of these subjects).

In any case, no change occurs to the obligation, in any situation potentially capable of generating a conflict of interest or, however, of compromising the ability to take decisions in the best interest of the Company, to give timely notice to one's supervisor and to the Supervisory Body, refraining at the same time from carrying out acts related to such a situation.

## **ETHICAL PRINCIPLES OF THE PERSONNEL**

### **12. General principles**

The "human factor" is the key resource for the success of the Company. In this sense, the Company undertakes to put in place functional working conditions to protect employees' physical or mental integrity and respect their personality.

No discrimination in the selection, hiring, training, management, development and remuneration of personnel is allowed.

## **GENERAL PRINCIPLES IN THE RELATIONSHIP OF THE COMPANY WITH EMPLOYEES**

### **13. General principles**

The evaluation of the applications and personnel selection substantially meet the need to acquire on the market competences and professionalism that are not present within the Company as well as the need to

include young people on whom to invest in order to ensure the growth and development of the Company, and are aimed at identifying professionalism, competences and attitudes consistent with the position to be held; the selection is carried out in full respect of the privacy of the candidates, by guaranteeing objectivity and transparency, and without any form of favouritism and without any discrimination based on sex, age, sexual orientation, race, nationality, socio-economic conditions, religious or philosophical beliefs, political opinions or trade union memberships;

The employer-employee relationship, whether it is self- or subordinate employment, is always governed by a regular contract also in compliance with the local regulations in force.

Canali S.p.A. cares about the training of its employees and their professional and human growth within the company.

The company makes sure that all employees are informed on the performance, development prospects and, in general, on the life of the Company.

The Company cares about the safety of its employees by applying all the regulations in force.

The Company undertakes to place its employee under the best possible conditions in order to achieve the agreed objectives.

The Company promotes a climate that encourages free expression and spurs its employees to express themselves without being conditioned if someone or something does not follow the principles listed so far.

#### **14. Protection of people**

Canali S.p.A. protects the integrity of its employees and also guarantees working conditions that respect the dignity of the person.

Acts and attitudes of psychological violence, discrimination or harmful in any way to the person, his/her preferences or beliefs, or that violate in any way his/her privacy are absolutely not allowed.

Likewise, sexual harassment in all forms, including speeches that may in any way hurt the feelings or sense of decency of colleagues, is not allowed.

## **15. Human resource management**

Canali S.p.A. is fully aware that the collaboration of motivated and highly professional persons is a strategic factor and of fundamental importance for the success of the company.

Consequently, the Company's objective is to ensure access to positions based on the competences and capabilities of individuals as well as on business requirements.

## **16. Health and safety**

Canali S.p.A. respects the protection of the environment, and constantly promotes the consolidation of a culture of safety and health of workers, risk awareness and making individual behaviour responsible.

Each employee is required to observe all the safety and health measures established internally and externally by Italian and, if necessary, foreign legislators (in particular, the provisions set forth in Italian Legislative Decree 81/08), not only in order to ensure its own safety but also that of its employees, colleagues and third parties.

For these purposes, the Company undertakes, in relation to the characteristics of its organisation and economic processes, to put in place technical and organisational actions, such as:

- a) the permanent analysis of risks and of the critical state of processes and resources to be protected;
- b) the adoption of the most appropriate technologies to prevent risks concerning the safety and health of workers;
- c) the periodic review and updating of working methods;
- d) the constant training activities.

## **17. Proper use of company assets**

Each employee and collaborator is obliged to use with care, diligence and thrift company assets placed at his/her disposal. Specifically, responsible behaviours are required such as to avoid improper use that may otherwise damage directly or indirectly the interests of the Company.

## **PRINCIPLES OF INFORMATION TECHNOLOGY**

### **18. General principles**

The Company requires the proper use of information systems present in the company and prepares a control system that ensures at the same time the compliance of the obligations for the protection of

privacy and of the regulations in force on software licenses and patent rights.

Employees must use computer assets they are equipped with exclusively for the purposes related to the carrying-out of their work, and in any case in compliance with internal regulations prepared by the system administrator.

It is strictly forbidden to carry out operations even only potentially capable of compromising intentionally or damaging in any way the functionality and integrity of the computerised and electronic system of the Company or of third parties.

## **ETHICAL PRINCIPLES IN THE RUNNING AND MANAGEMENT OF COMPANY BUSINESS**

### **19. General principles**

The carrying-out of any operation or activity of the Company must be based on the compliance with the principles of legality, integrity, loyalty, transparency, collaboration and social responsibility.

The Director, collaborators and employees are required to act in full compliance with the regulations and laws in force, as well as with the Code of Ethics and internal company provisions.

No gifts or favours exceeding standard business or courtesy practices or common business practices are allowed either directly or through third parties.

In the case of gifts for employees, collaborators, managers, members of the public administration, public officers or public service officers, it is compulsory to give immediate and prior notice to one's supervisor and to the Supervisory Body or to similar bodies.

In the same way, the Recipients of this Code who, in the exercise of their functions, receive from Customers or from members of the public administration, gifts, travels or other expensive benefits and that may give rise to the possibility of conflicts of interest with the customers themselves, are obliged to give immediate notice to their supervisor and to the Supervisory Body.

The Company, albeit without excluding any Customer or a specific category of Customers, does not have direct or indirect relations with persons the Company has reason to believe belong to criminal organisations or operate outside the law.

### **20. Relations with suppliers**

The principles set out in this Code of Ethics apply also in the relations with suppliers, if applicable. This means that the relations are generally based on mutual correctness and trust and that the suppliers accept and share the principles of the Code of Ethics, in particular with regard to:

- a) correctness of relations with the personnel and compliance with the regulations in force on occupational safety, accident prevention and social security; correctness in relations with the Public Administration;
- b) compliance with all rules concerning anti-money laundering, anti-terrorism and public safety in general;
- c) compliance with standards on environmental safety, with a special reference to the applicable law in relation to their production and economic processes;
- d) in general, compliance with all regulations applicable to each.

Suppliers are expressly not allowed to commit any offence or take actions, either directly or through third parties, in conflict with the contents of this Code of Ethics in order to meet actual or alleged benefits for the Company.

Canali S.p.A. undertakes to request the compliance with the provisions of this Code also to third-party contractors by specifying in each contract that it has been examined.

## **21. Fair competition**

When carrying out its activity, Canali S.p.A. respects the rules of the market and refrains from any business behaviour or practice damaging to free competition in the industry.

The Company recognises the value of competition and undertakes not to put in place inappropriate behaviours towards competitors.

The production and marketing of the products of Canali S.p.A. is respectful of the regulations in force protecting trademark and patent rights, industrial models and designs and distinguishing marks in general.

## **22. Granting of professional positions to external collaborators**

The Company evaluates carefully the need to rely on external collaborators (consultants, intermediaries, agents, etc) by selecting them on the basis of adequate professional qualification and reputation (moral integrity), competence, transparency and correctness principles.

These collaborators are required to strictly comply with and apply the provisions contained in this Code. In particular, all the fees and/or amounts paid to them for any reason must be adequately documented and proportionate to the professional activity carried on, in the light of market conditions.

### **23. Relations with the Public Administration**

Relations with offices and members of the public administration must be managed always in strict compliance with laws and regulations and in such a way that no violation of the principles contained in this Code of Ethics derives from these relations.

Referring to what was stated in the previous paragraphs, promising or paying or granting amounts, goods in kind or other benefits, on a personal note or by proxy, with the aim of favouring the interests of the Company, as well as stealing confidential information or trying to establish personal relationships of favour, interference, influence, such as to affect directly or indirectly the results of the relations themselves, are expressly prohibited.

### **24. Relations with competitors**

The Company considers it of fundamental importance the proper and fair competition on the market. In this sense, all the collaborators and employees are committed to strictly observe the industry law.

Conversely, engaging in behaviours potentially or factually damaging to the free competition, such as, by way of example only but not by way of limitation, establishing relations with competitors whose purpose is the achievement of agreements restricting competition, market breakdown and so on, is not allowed.

## **CONFIDENTIALITY**

### **25. General principles**

Canali S.p.A. ensures the confidentiality of the information and personal details of which it becomes aware in the course of its business. Such information may not be used for purposes other than those established by law or for which the persons concerned have explicitly given their consent.

The Sole Director, the Employees and the Collaborators will adopt appropriate measures and will carefully prevent the improper dissemination of such information and data.

### **26. Protection and processing of personal data**

The Company undertakes, in full compliance with the regulations set forth in Italian Legislative Decree no. 196/2003 (Privacy Code), to protect the personal data collected, stored and processed as part of its activities, according to the criteria of lawfulness and fairness of treatment, relevance to the declared

and pursued purposes, right of the person concerned to examine and ask for a correction, transparency, disclosure to third parties only after express authorisation, avoiding its loss, destruction and unauthorised or even only improper processing.

## **FINAL PROVISIONS**

### **27. The Supervisory Body**

The Company, in relation to its specific characteristics and organisational complexity, establishes an appropriate supervisory body that ensures the implementation of the provisions of the Code of Ethics. The establishment of the Supervisory Body will be in compliance with the provisions of Italian Legislative Decree no. 231/2001.

The above-mentioned Supervisory Body, by also using the contribution of external experts - if and when deemed appropriate - :

- a) ensures the correct application of the Code through an appropriate reporting system;
- b) carries out investigations on information of potential or real violations of the Code and notifies the results, if any, to the Personnel Management and to the Administrative Body, in order to adopt the most appropriate penalties;
- c) reports to the administrative body the need for any change and/or update;
- d) promotes initiatives with a view to a widespread and in-depth knowledge and understanding of the Code;
- e) expresses opinions on the revision of operational procedures and internal guidelines in order to ensure consistency with the Code.

### **28. Reports**

The employees and collaborators of the Company are required to report to the Supervisory Body any violation or suspected violation of the Code of Ethics. The Supervisory body carries out immediately the inspections and investigations required involving all the subjects and bodies even only potentially concerned. The Supervisory body makes sure that the employees and collaborators who reported the fact being investigated do not suffer adverse consequences for their reporting.

### **29. Notification and training activities**

This Code of Ethics is made known to all the recipients by means of appropriate notification and training activities, also differentiated on the basis of the position and responsibilities of each recipient.

### **30. Violations of the Code**

Since the observance of the principles and rules of this Code is an essential and integral part of the contractual obligations of the employees and of the Sole Director of the Company, the violation of the provisions mentioned above is a default of the obligations deriving from the employment relationship or collaboration, or a disciplinary offence, with all legal or contractual consequences, also with regard to the termination of the contract or of the appointment and to compensation for damages, if any.

In the case of ascertained infringement of one or more provisions of this Code, the Company undertakes to inflict the disciplinary measures according to consistency, impartiality, uniformity and in proportion to the alleged infringement, in compliance with the limits laid down by local regulations and by the collective bargaining of reference, if existing.