
CODE OF ETHICS

FASHION BOX SPA



Updated as of 29/03/2018

ATTACHMENT 1 - Code Of Ethics

Preamble and Scope of Application

Fashion Box S.p.A. (hereinafter the “**Company**”) strives to ensure that its internal and external activities adhere to the principles contained in this Code of Ethics (the “**Code**”), which represents the basis of the organisational model and the general internal controls adopted by the Company. The Company believes that an ethical conduct of its business is fundamental for its success.

This Code establishes the ethical principles and rules of conduct, which also apply in the reasonable prevention of those offences under Legislative Decree no. 231/2001 and promotes a conduct which guarantees compliance therewith.

The provisions of this Code do not, and cannot, cover every situation, but rather establish a set of values and criteria which are to be observed and implemented together with a sense of responsibility by the Recipient (as hereinafter defined) who, in the event of doubt or uncertainty, should refer any questions directly to the Human Resources Department. The Human Resources Department shall promptly provide its opinion which, except in particularly urgent cases, shall be previously communicated to the Supervisory Board before being issued.

The decisions of the Supervisory Board shall be binding and relevant for future interpretations of the Code.

This Code is addressed to the following (the “**Recipients**”), who are required to strictly comply with the principles, the conduct and prohibitions contained herein, within the limits of their respective competences, functions and responsibilities:

- the **corporate bodies** and their individual members
- the **employees**
- the **management**
- **service providers** and **other workers** of the Company
- **collaborators** and **any third party engaged in business relations** with the Company.

To this end, the Company undertakes not to initiate or maintain relations with (potential) Recipients who demonstrate that they do not share the Code’s content and philosophy.

This Code, approved by the Company's top management, shall be valid worldwide and shall be implemented consistently in accordance with the different political, cultural, social, economic and commercial realities in which the Company operates.

The provisions of this Code may, in any case, be amended in order to adapt them to the changing needs of the Company, as well as to eliminate any doubts as to its interpretation.

ART. 1 – Objectives and Implementation

The primary objective of the Company is the creation of values in compliance with the principles established by this Code. In this regard the Company's industrial and financial strategies and the consequent conduct of its operations and organisation of its resources are orientated towards this goal.

As an active and responsible member of the community, the Company is committed to:

- respect and enforce internally the laws in force in the countries where it carries out its activities and the ethical principles of common acceptance, according to international standards, in the conduct of business, namely: transparency, fairness and loyalty;
- reject and condemn any recourse to illegitimate or otherwise improper conduct (towards the community, public authorities, customers, workers, investors, suppliers and competitors) for the achievement of its economic objectives, which are pursued exclusively through entrepreneurial excellence in terms of product quality, experience, customer care and innovation;
- adopt organisational tools designed to prevent the violation of legal provisions and the principles of transparency, fairness and loyalty by its employees and collaborators, monitoring their compliance and implementation;
- ensure to its clients and to the community in general full transparency of its action, while safeguarding confidentiality of the relevant business information;
- promote fair competition, which is considered functional to its own interest as well as to that of all market operators and customers;
- pursue excellence and competitiveness in the market, offering its customers quality products that efficiently meet their needs;
- protect and enhance the value of the human resources it engages;
- use resources responsibly, with the objective of a sustainable growth, respecting the environment and the rights of future generations;
- ensure the proper planning and timely achievement of corporate objectives in strict compliance with the strategic guidelines of the Company with the creation of values being a primary commitment.

ART. 2 – Ethical Principles and Fundamental Values

This Code identifies the ethical principles and the fundamental values which all Recipients must adhere to, in order to guarantee the proper conduct of the Company's business and activities, protect the Company's assets, and preserve its credibility and image.

The following represent the fundamental values in the conduct of all (internal and external) activities, behaviours and relationships of the Company:

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- **legality, honesty and fairness:** the Company achieves its business objectives in compliance with national laws, regulations, internal rules and this Code. The achievement of the Company's corporate interest can in no way justify any conduct which is contrary to: the principles of fairness and legality, the dissemination and awareness of applicable laws, of this Code, and of the corporate procedures aimed at preventing unlawful conduct;
 - **loyalty and good faith:** relationships with Recipients and with third parties in general, shall be characterised by good faith and honesty, and implemented with due consideration to the sustainability of understandings reached, the fulfilment of agreements and promises, ameliorating corporate assets and generally acting in good faith in every decision;
 - **transparency and integrity:** the information divulged by the Company must be accurate, complete, clear, comprehensible and must comply with the principle of equal access to the same by third parties; the information must not be in any way misleading, or false, such as to generate a disadvantage in third parties with a consequent undue advantage to the Company;
 - **confidentiality and privacy:** the Company guarantees the confidentiality of the information in its possession and refrains from collecting and using sensitive data; the handling of confidential information, with particular reference to price sensitive information, is governed by current legislation and by specific internal procedures;
 - **relations with Public Authorities:** relations with Public Authorities or the Public Administration are conducted with the utmost transparency, integrity, good faith and loyalty, and in compliance with the law;
 - **respect for persons and equal opportunities:** the Company respects the fundamental rights of persons and guarantees equal opportunities for all, opposing discrimination of all kinds, in particular, on the basis of age, sex, state of health, race, nationality, political opinions and religious beliefs, social and personal status;
 - **professionalism and growth of human resources:** the Company recognises the importance of its human resources, with the key to success of any company being the professional contribution of the people who work within it, in a framework of mutual loyalty and trust; it protects and promotes the value of the workforce and encourages the growth and development of their skills through the provision of constant updates and training programmes;
 - **safety, safeguarding health and working conditions:** the Company protects health and safety in the workplace and considers it fundamental, in carrying out its business, to respect the rights of workers and their physical and moral integrity. This is done through the scrupulous implementation of and compliance with the legislation in force, as well as through the definition and implementation of safety protocols and procedures;

- **conflicts of interest:** in carrying out its activities the Company endeavours to avoid conflicts of interest. Every decision taken by the Recipient must be in the interest of the Company; consequently, it is compulsory for the Company's employees and workers to report to the Supervisory Body any actual or potential conflict of interest (direct or indirect) with the Company;
- **respect for the environment:** the Company adopts an environmental strategy based on a number of principles, including optimising the use of energy sources and natural resources, minimising negative, whilst maximising positive, environmental impacts, cultivating and disseminating the culture of a correct approach to environmental issues, committing to the continuous improvement of environmental performance and adopting purchasing policies that are sensitive to environmental issues;
- **community and society:** the Company intends to contribute to the economic wellbeing and growth of the communities in which it operates, focusing attention on the most relevant social issues and working in the social field, through its own contribution across various sectors; the Company favours and, where appropriate, provides support to, social, cultural, and educational initiatives aimed at promoting the person and improving living conditions.

ART. 3 – Conduct of the Recipient

The conduct of the corporate bodies, management, employees and other workers of the Company, in the performance of their activities and in those relationships with third parties which arise in connection in the performance of said activities, shall be in compliance with the provisions of the relevant laws, this Code, and the corporate procedures and regulations.

The following are **prohibited**:

- a) the pursuit of personal interests or those of third parties to the detriment of those of the Company;
- b) the abusive exploitation, in the personal interest or in the interest of third parties, of the name and reputation of the Company, as well as of any information acquired and of the business opportunities arising during the course of the performance of their duties;
- c) the use of corporate assets for purposes other than those for which they are intended.

The Recipients shall refrain from activities (even free of charge), behaviours and acts that are in any case incompatible with the obligations related to their relationship with the Company.

In the management of their activities in general, the Recipients are required to behave ethically and in compliance with the law, with the utmost transparency, clarity, correctness and efficiency.

In respect of relationships (including commercial and promotional relations), the Recipients shall behave in line with the Company's corporate policies, which may never result in acts contrary to the law, current regulations or corporate procedures adopted with reference to

individual functions.

In respect of the purchase of goods and services, which include external consultancies, the Recipients shall act in full compliance with the principles of fairness, cost-effectiveness, efficiency and lawfulness, and shall operate, depending on the circumstances, with professional diligence and, in any case, with due diligence.

In relations with the Public Authorities, the Recipients shall not influence, nor attempt to influence, the decisions of the Public Offices dealing with and making decisions on behalf of the Public Administration, whether national or foreign. In particular, the following actions are to be considered prohibited:

- a) proposing - in any way whatsoever - employment and/or business opportunities in a personal capacity to the benefit of Public Officials and/or persons engaged by the Public Services;
- b) soliciting or obtaining confidential information that may compromise the integrity or reputation of either Party;
- c) perform any other act aimed at inducing Public Officials and/or persons engaged by the Public Services, whether national or foreign, to commit or omit an act in respect of their office which violates of the laws applicable to them;
- d) allocate for purposes other than those for which they were intended grants, subsidies or funding obtained from the State or other public body or from the European Communities, regardless the value and/or amount.

In this manner, the Company condemns any conduct aimed at obtaining, from the State, the European Communities or any other public body, any type of contribution, financing or subsidised loan or other disbursement of the same type, by means of altered or falsified declarations and/or documents, or by means of omitted information or, more generally, by means of pretence or deception, including those carried out by means of a computer or telematic system, aimed at misleading the granting body.

In relationships with customers, suppliers and third parties in general, Recipients must not offer incentives, money, gifts or other benefits, or which appear to be such. This rule does not allow exceptions even in those countries where offering gifts to business partners is customary. Nevertheless, any act of commercial courtesy must never be carried out in circumstances that could give rise to a suspicion of a conduct which is contrary to the principles established in this Code and which, in any case, must always be of modest value.

In relationships with collaborators, all Recipients are required to comply with the principles and rules of conduct contained in this Code. The Company undertakes to make available to all Recipients, before commencing any collaboration, a copy of this Code and to make adherence to the principles contained therein binding, including through the inclusion of appropriate contractual clauses.

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The Recipients are required to perform their activities diligently, competently, loyally and efficiently, investing their resources and time in an appropriate manner, protecting the Company's assets by adopting a behaviour which is in line with internal procedures and directives, refraining from promoting, or in any case taking part in, activities and conduct that may lead to conflicts of interest with those of the Company, which may interfere with their professional ability to make impartial business decisions, and at all times in the best interests of the Company.

To this end, matters and activities involving spouses (who are not legally separated), children, parents, persons living with the Recipients, as well as intermediaries, trustees or companies controlled by the aforesaid persons, shall also be relevant. If the Recipients find themselves in situations which conflict with the interests of the Company, even if only potentially, they must promptly notify the Supervisory Body of the situation of conflict and consequently refrain from any activity connected therewith.

The Company may not be represented in relations with the Public Administration or Public Authorities, whether national or foreign, by third parties when this could give rise, even hypothetically, to a conflict of interest.

Third parties operating on behalf of the Company are obliged to refrain from maintaining relations with the Public Administration or the Public Authority, whether national or foreign, in any other cases of expediency.

ART. 4 – Human Resources of Fashion box S.p.A.

The Company recognises the importance of human resources, being the fundamental element for the very existence of the company, considering that the dedication and professionalism of employees are essential requisites for the achievement of the Company's objectives.

The Company is therefore committed to planning and organising programmes to develop the skills and expertise of each employee, so that the work, talent and creativity of individual workers translates into the implementation and achievement of the Company's objectives.

The Company intends to promote the development of the skills and professional abilities of its collaborators, also by guaranteeing an appropriate working environment, both in terms of personal health and safety, and in terms of moral respect, absence of influences, prejudice or discomfort that may affect the worker's personality. To this end, the corporate objectives shall be determined according to specific, concrete, measurable criteria whilst respecting the relevant timeframes for achievement.

The Company protects the Recipients by establishing its relationships on the principles of loyalty, transparency and mutual respect, without exercising any discrimination, undertaking to offer all employees the same opportunities and guaranteeing everyone the possibility for professional growth based on objective and meritocratic criteria.

In order to guarantee these principles of transparency, equality and meritocracy, the relevant departments within the Company must:

- adopt all decisions concerning employees based on strictly professional criteria of merit, competence and assessment;
- identify, select, hire, train, remunerate and manage employees without prejudice or discrimination of any kind, guaranteeing the principle of equal opportunities;
- guarantee the creation of a working environment in which the personal characteristics of each employee do not create discrimination.

The Company considers of primary importance the protection of the physical and moral integrity of employees, the safety of all business activities, the adequacy of working conditions, premises, machinery and equipment, in full compliance with current legislation on prevention and protection in the workplace.

To this end, the Company undertakes, as a matter of priority, to:

- promptly and accurately implement applicable national regulations on safety, hygiene and health of workers;
- assess all company risks and guarantee the adoption of suitable, technologically advanced, individual and collective safety measures, in order to eliminate or reduce to an acceptable minimum, the risk to workers;
- ensure the training and information of employees and other recipients in a constant and updated manner and with specific reference to the activities conducted by them;
- ensure the participation and consultation of workers on matters of health and safety in the workplace;
- intervene effectively and promptly in the event that any requirements or non-conformities in relation to safety emerge during the performance of individual work activities or during audits and inspections;
- ensure that work is properly organised and plan the operational aspects of individual activities in manner which safeguards the health of workers, third parties and the community in which the Company operates;
- allocate organisational, instrumental and economic resources with the aim of ensuring full compliance with current accident prevention regulations, the continuous improvement of working conditions and the constant implementation of the relevant prevention measures.

The Recipients, each within their own sphere of competence, are required to ensure full compliance with the law, the principles of this Code, company procedures and any other internal provision provided for to ensure the protection of safety, health and hygiene in the workplace.

ART. 5 – Corporate Communications and Protection of the Company's Assets

The Company ensures that accounting records, the drafting of financial statements, interim financial statements, reports, corporate communications in general and anything else required, are in compliance with the provisions of the law, international standards and current applicable regulations.

The Company encourages correct and timely communication to all the bodies and functions concerned in respect of the preparation of the financial statements, interim financial statements, reports, corporate communications in general and anything else in connection therewith. It also determines the proper cooperation between corporate bodies and functions and encourages controls by the competent bodies.

Everyone is required to comply with the rules protecting the integrity and effectiveness of the share capital, so as not to damage the guarantees of creditors and third parties in general.

ART. 6 – Relations with Third Parties

Relations with Customers

The Company establishes its operations on the excellence and quality of the products it offers to customers, as well as constantly striving to satisfy their requests.

The objective pursued is that of guaranteeing an immediate, qualified and competent response to the needs of customers, whilst ensuring that its own behaviour favours fairness in negotiations, transparency in relations, loyalty in contractual commitments, as well demonstrating courtesy and collaboration in the logic of a customer focused activity, respecting their expectations, executing contracts fairly, without exploiting any conditions of weakness or ignorance when unexpected events arise.

Recipients are prohibited from having business relations with customers or potential customers whose involvement in unlawful activities is known or suspected and, when assessing customers, they must take into account their ability to fulfil their payment commitments.

Relations with Competitors

The Company undertakes to promote fair competition, considered functional to the interest of the same, of customers and third parties in general, without prejudice to the obligation to protect the integrity of its rights, the enhancement of human assets and industrial resources.

Relations with Suppliers

The Company ensures that the purchasing practices are aimed at the procurement of products and/or services at the best market conditions, while ensuring standards of quality, safety and respect for the environment, with due consideration being given to guarantees, always within the scope of the market offer at national and international levels. The choice of supplier shall be determined by the maximum competitive advantage to the Company, guaranteeing fairness and impartiality towards any supplier meeting the necessary requisites save the prohibition to entertain any kind of business relation with suppliers whose involvement in national or

international criminal or illegal activities is known or suspected.

All relationships must be conducted in absolute compliance with the law (also with reference to rules on anti-money laundering, personal data protection, transparency, anti-usury and safety in the workplace), regulations, this Code and internal procedures.

The Recipients must therefore:

- verify that each operation and/or transaction is lawful, authorised, appropriate, documented and verifiable over time
- assess and consequently guarantee the quality, convenience, cost-effectiveness and compliance of offers with the company's needs, in compliance with the principles of fairness and transparency;
- take into account the professionalism, efficiency and general reliability of suppliers;
- verify that the chosen suppliers have the means, including financial means, organisational structures, skills, know-how, quality systems and resources, which satisfy the Company's requirements and image;
- ensure that suppliers accept the principles and fundamental values of this code by means of a "acknowledgement and adherence to the principles of the Code" clause in contracts.

Relations with Institutions

The Company must maintain a collaborative and transparent relationship with national, international and foreign Institutions with the aim of facilitating dialogue on issues of specific interest. All relations with Institutions must be characterised by the strictest compliance with national and international regulations and company procedures. The Company shall deal with institutional representatives only and exclusively through persons expressly delegated to do so by the top management of the Company and who are not in a situation of conflict of interest.

Relations with the Public Administration

The Company, in its relations with the Public Administration, shall observe the following principles:

- it must conduct its activities with the utmost transparency, clarity, correctness and impartiality, so as to avoid biased, erroneous, ambiguous or deviant interpretations, with any public subject with whom it has a relationship in any capacity;
- it shall forbid the disbursement of direct or indirect contributions, in any form, funds and financing to support public subjects, except to the extent that it is permitted and provided for by the laws and regulations in force;
- in relations with the Public Administration or Public Authorities, whether Italian or foreign, for negotiations or other contracts functional to the Company's business, the Company shall be represented only and exclusively by those who have been formally appointed for this purpose.

Relations with the Environment

The Company pursues its environmental strategy in accordance with the following principles: optimising the use of energy sources and natural resources, minimising negative (and maximising positive) environmental impacts, encouraging the culture of a correct approach to environmental issues, guaranteeing a commitment to continuous improvement in environmental performance, adopting purchasing policies that are sensitive to environmental issues.

In considering environmental issues, the Company will avail itself - provided that this is operationally and economically sustainable - of eco-compatible technologies and production methods, with the aim of reducing the environmental impact of its activities.

Relations with the Community

The Company considers favourably and, where appropriate, provides support to social, cultural and educational initiatives aimed at promoting the person and improving their living conditions.

The Company does not provide contributions, advantages or other benefits to political parties or movements, to workers' trade unions, or to their representatives or candidates, subject to compliance with applicable regulations.

Relations with the Judicial Authority

In carrying out its business activities, the Company operates in a lawful and irreproachable manner, in compliance with the law, cooperating with the Judicial Authority, the police and any Public Official and/or Public Service Representative who has inspection powers and carries out investigations on its behalf.

None of the Company's Recipients may undertake economic activities, confer professional appointments, give or promise any advantage whatsoever to those who carry out inspections or investigations, or to bodies of the Judicial Authority.

Recipients who will be subjected to investigations, judicial actions following the notification of relevant judicial acts, for facts related to their employment relationship, shall promptly give formal notice to the Supervisory Body of the Company.

Relations with the media

Relations with the press, the media and, in general, with any reporter shall be carried out exclusively by persons expressly delegated to do so, in compliance with specific internal procedures and in accordance with the instructions given by the top management of the Company. Information communicated externally shall be consistent, truthful and transparent, and relate to news which is complete, accurate and congruent.

All the Recipients of this Code who have not been delegated with this specific function, shall refrain from disseminating and, in any case provide third parties outside the Company, with information of any nature concerning the Company itself, with the obligation to inform the competent body of any request for information received in this respect. Participation, in the name and on behalf of the Company in conferences, public events, associations of any kind (cultural,

scientific or trade) must be expressly authorised in writing by the Company's top management, in compliance with corporate procedures.

ART. 7 – Internal Control System

The efficiency and effectiveness of the Internal Control System are a condition for carrying out business activities in accordance with the rules and principles of this Code.

In this context, the Internal Control System is a process - consisting of a set of rules, procedures and organisational structures - aimed at ensuring

- a) the efficiency of corporate and business management;
- b) the traceability of acts and operations, so that they are recognisable and verifiable;
- c) the reliability of financial and business information;
- d) compliance with regulations and laws of all applicable sources and the safeguarding of the company's integrity, also in order to prevent fraud to the detriment of the Company.

Within the scope of their specific functions and competences, all Recipients who hold managerial positions are required to implement a corporate control system that guarantee the correctness of data and the legitimacy of every activity, and involving their subordinates where appropriate, to ensure utmost effectiveness.

ART. 8 – Compliance with the Code

Compliance with the rules of this Code must be considered an essential part of the contractual obligations of all Recipients.

The Company undertakes to adopt this Code, as well as appropriate procedures, regulations and protocols aimed at ensuring the fulfilment and respect of the values set out herein, guaranteeing that they are adopted as the basis for the conduct of the company and of all its employees and collaborators, and sanctioning any violations of the ethical principles adopted.

To this end, this Code will be sent - by e-mail and/or fax and/or post and/or by hand - to the Recipients, the members of the corporate bodies and the Company's auditing firm, as well as published in dedicated sections on the company intranet and/or on the company website, where the Code can be consulted, and made available in hard copy at the Personnel Department.

Violations of these rules may constitute a breach of the obligations arising from the employment relationship, as well as a disciplinary offence, with all the consequences of the law, including with regard to the preservation of the employment relationship itself, and may give rise to claims for damages caused by the violation.

Violation of the principles set out in this Code may result in the application of the sanctions contained in the *corporate disciplinary system*¹, which is part of the Organisation, Management

¹ General Part – Section IV of the Model.

and Control Model implemented by the Company pursuant to Legislative Decree no. 231/01.

Employees, collaborators, consultants, as well as third parties in business relations with the Company shall promptly report to the Human Resources Department (availing themselves, if necessary, of their hierarchical superior) and in full compliance with the methods indicated by specific internal procedures, of:

- any violation or inducement to violate laws or regulations, the provisions of this Code, or internal procedures;
- any irregularity or negligence in the keeping of accounts, in the preservation of the relevant documentation, in the fulfilment of the obligations of internal accounting or business reporting;
- any request for clarification on the assessment of the correctness of one's own or others' conduct, as well as possible shortcomings in this Code or proposals for its amendment and/or integration.

The Human Resources Department is required to promptly notify any report to the Company's Supervisory Board.

The Supervisory Body shall carry out the necessary checks on the reports received, in order to ascertain the facts and promote the most appropriate initiatives, including the proposal to impose sanctions on the persons responsible, when applicable and in the manner provided for by law, collective agreements, contracts, ensuring that no negative consequences may arise for those who, in good faith, have reported said matter.

In any case, the identity of whistleblowers is to be kept confidential in accordance with specific internal procedures, without prejudice to legal obligations.

The Company has entrusted the function of monitoring the application of and compliance with the Code to the Human Resources Department, which shall:

- organise meetings aimed at illustrating any changes in the ethical principles and values of this Code;
- ensure that the Recipients are promptly made aware of any new developments and amendments to the Code;
- raise awareness and promote knowledge of the principles and ethical standards also by preparing training programmes which take into account the role and responsibility of the Recipients.

The Legal Department shall verify the possibility of including, in the contracts stipulated by the Company, of a clause aimed at informing third parties of the existence of the Code, binding them to comply with the values and standards set forth therein, and providing for the possibility of termination for breach of contract in the event of particularly serious violations of the Code's rules, without prejudice to the right to request compensation for further damages.

ART. 9 – Monitoring and Updating of the Code

This Code is periodically checked and possibly updated by the Board of Directors of Fashion Box S.p.A., after a preliminary investigation by the Supervisory Body, after hearing the opinion of the Human Resources Management and the Board of Statutory Auditors, who may formulate proposals in this regard.

Every update, modification or integration of the Code must be approved by the Board of Directors of Fashion Box S.p.A.