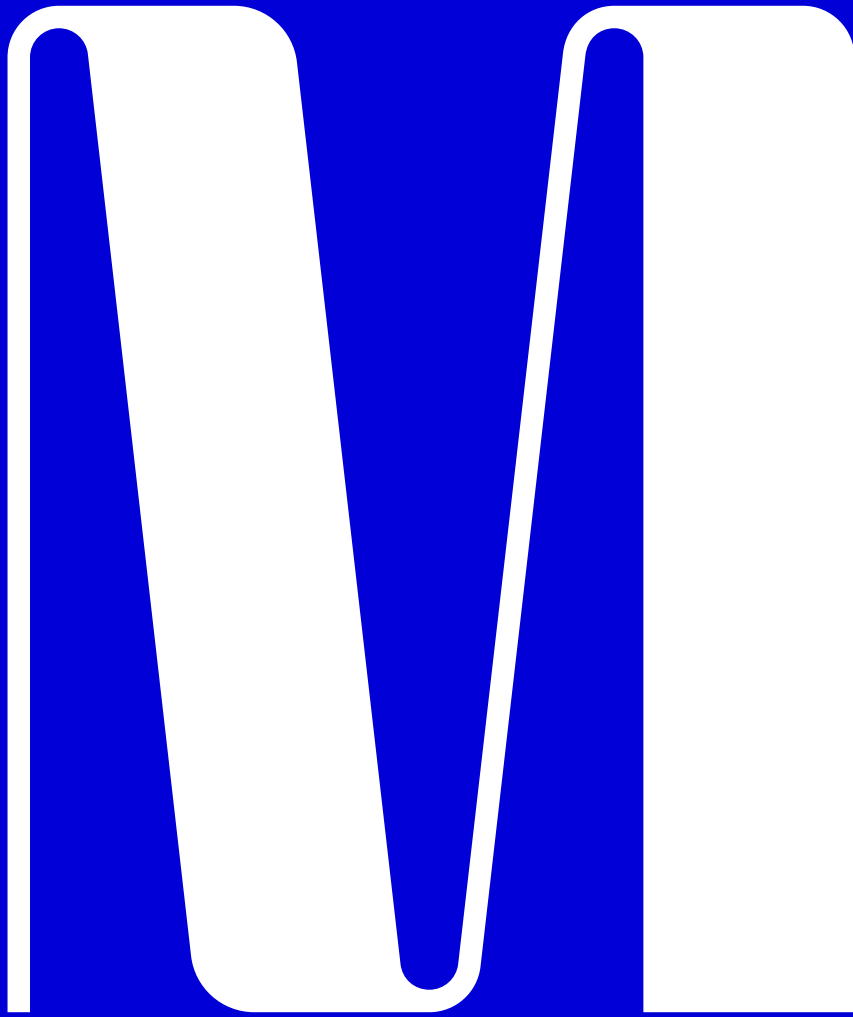


Our Ethical Vision

Code of ethics Miroglio Group



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One code to follow the same route together

We at Miroglio Group work together to **drive value** in the industry we love and know so well: fashion.

And to drive value we believe that a company should always **start from values, rules and principles**. Our values, rules and principles have been built over time through an ongoing discussion at all levels and are now displayed in this Code of Ethics in order to **steer our decisions**, set forth the fundamental points of our daily work, guide our behaviours towards a common engagement.

Our Code of Ethics is like a compass that **helps us identify and correct any misbehaviour** and improve ourselves day after day.

These guidelines are not abstract concepts but rules that we intend to apply through increasingly leaner processes allowing us to achieve our business goals while respecting people and the environment.

Together, all playing a major role in our Group and moving in the same direction.

Who the code of ethics applies to

All actions, operations, transactions and relationships pertaining to the Miroglio Group must be informed by the principles and behavioural rules set forth in this Code of Ethics, which **applies** to:

- **all employees;**
- all those who, within the Group's organizational framework, **represent**, administer or exercise, whether de facto or otherwise, management and control functions;
- all the people, **whether employees or external collaborators of each company**, who are involved with the Group's activities.

They all must be aware of this Code of Ethics and we are committed to sharing its contents by any means to ensure its maximum dissemination.

Are you an employee? Help us enforce the code

All our employees are required to embrace our Code of Ethics by performing their duties with honesty, correctness, commitment and professional integrity, and to **actively contribute to the Code's compliance** by:

- reporting to the **Group's Ethics Committee** any possible and/or suspected violation through our dedicated reporting channels (see page 14);
- fully **cooperating in identifying** any possible and/or suspected violation of this Code;
- **informing the third parties** who we do business with about the provisions of our Code of Ethics so that they comply with it.

Our principles are our compass

Uncompromising legality

We comply with the laws, rules and regulations of each of the countries where we operate and with our business procedures. Legality is a **fundamental value** to us. We do not circumvent rules, we do not enforce borderline practices or habits: we simply and strictly respect the law, with no exception.

Equality against all discrimination

We promote respect for human dignity and do not accept any discrimination based on age, gender, sexual orientation, ethnicity, language, political and trade union opinions, nationality or belief. **We are committed to fair and equal treatment of all employees and collaborators** at all levels and wherever they operate in the companies of the Miroglio Group, and we ensure they have the right to perform their job at their best with serenity, security and cohesiveness.

Impartiality in every decision

We operate with impartiality in taking decisions relating to staff, selecting suppliers, investing in projects and any other company or business development activity, always acting - in keeping with and in the interest of our Group's mission - with **objectivity and professional scrupulous-**

ness based on objective, neutral evaluation criteria.

Transparency of actions and behaviours

We provide truthful, clear, complete and accurate information about every activity. Every action and operation is validated, **authorized and documented**, so that the decision-making path can be tracked back. This transparency restricts all arbitrary decisions and fosters virtuous and responsible behaviours.

Professionalism for maximum quality

We support the ongoing growth of our resources' skills and we put much work and dedication into ensuring that every customer and interlocutor enjoys **high added value performances**. We have always deemed professionalism as a distinctive value sustaining our Group's success on national and international markets.

protection of personal data

In our business we are required to manage a huge amount of personal data that we are committed to **collecting and treating with maximum care** using appropriate IT technologies complying with applicable laws and regulations. This is done by enforcing full respect of the rights of all interested parties, that is to say customers, employees and third parties.

Confidentiality of information

In the pursuit of our operations we may come to learn confidential information such as strategies, products, know-how, technical, financial, commercial and marketing data owned by the Miroglio Group. It is our duty to **protect this wealth of infor-**

mation and not to disclose it, except when expressly authorized to do so or because of our role, even following termination of the employment relationship.

Safety in the workplace

We ensure healthy, safe work environments in line with local laws and regulations and protect the communities that live nearby our sites. **We train all employees about potential risks within their work activities**, provide them with the right safety and protection systems and personal protective equipment (PPE), both individual and collective, and constantly monitor the efficiency of our health and safety systems to prevent risk, providing continuous improvement of health and safety performance. We promote safety and risk awareness pertaining to work activities, also at our suppliers.

Safeguarding the environment

We recognise our environmental blueprint responsibilities and we proactively seek to employ new, more sustainable technologies and processes to balance our production needs with our impact on the planet. **We use natural resources in a responsible way** and are committed to promoting a culture of sustainable growth.

Fair competition

We believe that free and open competition can drive creativity, innovation and growth in our industry. This is why **we comply with all applicable competition laws**, we stand against all forms of unfair competition and we respect rights to industrial and intellectual property within the scope of our development and creation activities.

Valuing human resources

Human resources are among our Group's most important assets. **We believe in meritocracy** within a framework that provides equal opportunities. We are committed to promoting team spirit and to nurturing skill and personal growth through training and refresher activities.

Opposing exploitation

We are firmly against any illicit form of labour intermediation and forced labour, with **a major focus on child labour**, and we extend this principle to labour provided by any party collaborating with our Group. Safeguarding the right of children to an adequate level of education means safeguarding the future of our world. Similarly, we foster the employment of young people, in compliance with applicable laws and ensuring that they are not exposed to risks.

The frames
of reference
for behaviours
which are correct
and consistent
with our mission

Enabling an effective system of control

In order to ensure consistency and compliance with the principles of this Code of Ethics it's paramount that all entities within our Group are committed to promoting and developing processes that ensure an effective system of internal control, including the **proper and complete assignment of tasks and responsibilities** with consistent delegated powers.

To do so, every company must ensure the best possible organizational and environmental conditions and **enhance its employees' awareness** of the subject and of the importance of complying with our business practices.

Carefully recording every operation

All operations and transactions must be properly recorded in our **corporate accounting system** in accordance with applicable laws and according to proper accounting standards in each of the countries where we operate, and must also be authorized in accordance with the requirements of verifiability, legality, consistency and fairness.

Each of us shall, within our terms of reference, ensure that every recorded transaction is supported by appropriate documentation, and that it is **readily available**

and properly filed. Furthermore, the circulation of accounting information within the Group must comply with the principles of truthfulness, completeness and transparency in order to ensure that **the consolidated financial statements are accurate and reliable** and the Group's economic status is clearly represented.

Preventing any conflict of interest

We recognize every collaborator's right to pursue economic interests outside of our work relationship, provided they are not **incompatible with their contractual obligations or in contrast with the interests of our Group.**

A conflict of interest is created whenever an individual:

- pursues an interest that is different from the Group's mission;
- acts in a way that can interfere with their ability to make a business decision that is in the Group's sole interest;
- gains a personal advantage from a business opportunity of the Group.

Here are some examples:

- holding economic or financial interests or involvement, whether direct or indirect, in companies which are suppliers, customers or competitors of the Miroglio Group;
- holding corporate offices or working in any way with suppliers or customers of Miroglio;
- participating, when working at the Miroglio Group, in decisions relating to business with parties in which we or a family member has in interest.

In conducting their activities, all collaborators must **avoid all situations that may even resemble a conflict of interests.** Finally, should a conflict of interest occur, the matter must be promptly discussed with a supervisor or company reference.

Preventing money laundering by checking counterparts

We are committed to respecting all international rules and regulations on money laundering, and we shall never be engaged or involved in any activity that may imply the acceptance of stolen goods or processing or receipt of proceeds of criminal activities in any form or manner whatsoever. **All available information on commercial counterparts,** suppliers, business partners, team members and consultants must always be checked to ensure that these parties are reputable before establishing any business relationship with them.

Protecting industrial and intellectual property

We ensure observance of internal, community and international rules protecting industrial and intellectual property. We promote the correct use, for any purpose and in any way, of **brands, distinctive marks and all creative work, including data processor programs and data banks,** to protect the author's financial and moral rights.

We also prohibit any conduct aimed at the forgery, alteration, duplication, reproduction or circulation of the work of third parties in any form and with no right.

Preventing every form of corruption

Honesty is one of the Miroglio Group's

founding values. It's our duty to prevent any illegal, improper or corrupt conduct against public or private parties in order to obtain any kind of advantage.

No one may offer, promise, grant, pay or authorize anyone to grant or pay, directly or indirectly, **any money, gift or other benefit of whatsoever nature** that:

- exceeds a modest value and the limits of reasonable courtesy;
- can be interpreted as an act of influencing relationships between parties and objective evaluation processes of counterparts within business procedures.

Finally, no practice potentially classifiable as corruption can be justified or tolerated by the fact that it is "usual" in the business sector in which the activity is performed.

A guide to managing relationships with third parties

Working with public authorities

Miroglio's relationships with public authorities and public institutions are only managed by Group Functions and personnel specifically identified within the Group Delegation of Authorities. Such relationships are conducted in strict compliance with applicable laws and regulations and **shall not attempt to influence the decision-making of agencies or officials acting in their name or on their behalf**. We are also committed to offering our utmost cooperation and availability to **Judicial Authorities**, Law Enforcement and Public Officials with inspection powers or duties.

During a negotiation or a business or trading relationship with public authorities and public institutions, in Italy or other countries, we refrain from acting contrary to our principles. This includes:

- **offering or granting job opportunities** and/or business advantages to a government official or employee involved in the negotiation, and their families;
- **offering gifts or other benefits**, other than acts of courtesy of modest value;
- **rendering false information** or omitting to report any relevant behaviour.

Any gifts of modest value or acts or courtesy or hospitality must be handled in accordance with company procedures, while the acceptance and sending of promotional material and gift samples must be duly approved and authorised.

Directly or indirectly offering **sums of money or other benefits of any kind to public bodies or officials** by way of compensating or repaying them for “favours” in the course of their duties or by way of “facilitating payment” to expedite or delay an act contrary to their duties - whether they be public officials, government representatives or public sector employees - is prohibited.

Working with customers

Our Group’s vision expresses Miroglio’s commitment towards customers and offering them with “unique and memorable experiences”. This means providing our customers with the highest level of professionalism and product and service quality, also in terms of our ability to **meet any demand, promptly react to any request and quickly evaluate any complaint**. This level of attention and dedication helps build a trustworthy and satisfactory customer relationship.

In working with customers, we adopt an honest, fair and open business approach, **privileging, wherever possible, written forms of agreement using clear and understandable language** in order to avoid any misinterpretation when negotiating contracts or sharing communications.

Working with suppliers

We are committed to establishing relationships with suppliers that are based

on loyalty, integrity and professional conduct, encouraging well-trusted and lasting forms of cooperation.

We select the best suppliers and determine the terms and conditions of purchase based on unbiased and objective evaluation, according to the following principles:

- the purchase is remitted to the dedicated offices;
- the selection is solely based on the supplier’s value in terms of **quality, price and assurances**;
- any negotiation with a supplier, whether actual or potential, must relate exclusively to the goods and services under negotiation with the supplier;
- the personnel assigned with the purchasing of goods and services must not be submitted to any form of pressure, exerted by suppliers, to donate materials, products and/or sums of money in favour of **charitable associations** or other entities they are engaged in a relationship with.

As with customers, suppliers must also privilege written forms of agreement in order to avoid any misinterpretation of the content of their trading relationships.

Working with public authorities and organizations

We are aware of the importance of our social role and we want to actively contribute to the wealth and growth of the local and national communities where we operate. That’s why we support **dialogue with trade unions, political and social organizations and their representatives, private and non-profit organizations** in strict compli-

ance with applicable laws and regulations and strict observance of Miroglio's guidelines and policies.

On the other hand, we do not intend to deal in any way with national or international entities or organisations that conduct activities, whether directly or indirectly, in contrast with the law or subject to criminal prosecution.

Commitments and relationships with private entities are only managed by Group Functions and authorized personnel.

Reporting violations and applicable safeguards

What to do in case of a violation?

If employees, collaborators or third parties interacting with Group Companies become aware of any known, suspected or observed violations of this Code of Ethics, they are required to inform the **Group's Ethics Committee** in compliance with so-called "Whistleblowing" Law 179/2017 using the following dedicated reporting channel:

segnalazioni-comitatoetico@miroglio.com

What is considered appropriate reporting?

Reports should be specific and based on factual, precise, detailed and consistent elements, and can pertain to:

- **factual elements** including crimes, offences and irregular conduct;
- **actions and behaviours** in potential violation of our Code of Ethics, our internal regulations and procedures or our Organizational Model ex Leg.Dec. 231/2001. **Personal grievances or general reports** lacking the elements required for further investigation will not be considered.

Protection of the reporting party

Our Group protects anyone reporting the above mentioned information from being directly or indirectly **retaliated or discriminated**.

inated against or penalized, discharged, demoted, suspended, threatened, harassed or being subjected to any other organisational measure negatively affecting their working conditions on account of having provided information.

We guarantee the **confidentiality of the identity of those who have reported**, except for legal obligations and the protection of the rights of the Group or of persons accused incorrectly or in bad faith.

Role of our ethics committee

If a report is properly submitted, the Group's Ethics Committee will carry out an **internal investigation** to verify the validity of the violation. The Group's Ethics Committee may hear the person reporting the suspected violation and/or the person suspected of committing the violation. In doing so, maximum confidentiality about the identity of both is guaranteed.

In case of behaviours violating the rules defined by the Organizational Model ex Leg. Dec. 231/2001, the Ethics Committee will promptly inform the **Supervisory Body of the relevant company**.

Applicable sanctions

The sanctions inflicted shall be **proportionate to the seriousness** of the violations committed and, in all cases, shall subject employees to disciplinary action.

Furthermore, in reference to the disciplinary system relating to the proper handling of violation reports (as per art. 6, paragraph 2-bis of "Whistleblowing" Law 231/2001), sanctions are applicable to:

- **individuals committing acts of retaliation**

or discrimination, whether direct or indirect, against those who have reported a violation for reasons that are either directly or indirectly connected to their report;

- **individuals who, whether intentionally or through gross negligence, report violations that prove to be unfounded.**

Contractual consequences for employees

Compliance with the Miroglio Code of Ethics forms an essential and integral part of the contractual obligations of the Group's employees, within the meaning of Article 2104 of the Italian Civil Code and pursuant to applicable labour legislation and regulations.

Accordingly, any failure to comply with our Code of Ethics **may constitute a breach of employment obligations and/or unlawful employee behaviour in accordance with applicable laws and regulations** and, more pointedly in Italy, in accordance with Article 7 of the Statute for Workers and the national collective labour contract, with all consequences of law being applicable, including, in serious cases, the termination of employment and the right to claim compensation.

Any breaches committed by **people responsible for representing, directing or managing the Group** will entail the competent company body to apply the sanctioning measures that are considered appropriate in relation to the nature and gravity of the violation committed to the status of the infringer, in conformity with applicable laws and regulations.

Contractual consequences for other parties

Compliance with the provisions of the Miroglio Code of Ethics is an essential and integral part of the contractual obligations of the Group's collaborators, consultants and other business parties. Therefore, any violation of the provisions of this Code **may constitute a breach of such contractual obligations undertaken, with all legal consequences regarding the termination of the contract and compensation for the resulting damages**, in conformity with applicable laws and regulations.

Adopting the code of ethics and subsequent amendments

This Code of Ethics has been approved by the Board of Directors of Miroglio S.p.A. as parent company.

Any amendment and/or integration hereof shall be approved by the Board of Directors and shall be communicated promptly to the relevant addressees.

The **companies in our Group** adopt this Code of Ethics through specific approval by their Board and can align the document to local law requirements, if needed.

April 2018

Miroglio
Group

www.mirogliogroup.com