

**Fendi S.r.l.**

**Organisational, Management and Control  
Model Pursuant to Legislative Decree  
no. 231 of 8 June 2001**

**GENERAL PART**

Approved by the Board of Directors of Fendi S.r.l.  
on March 7, 2024

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## 1. ITALIAN LEGISLATIVE DECREE NO. 231/2001

### 1.1 The regime of administrative liability

By way of implementation of the delegated power pursuant to Article 11 of Law no. 300 of 29 September 2000, the Legislative Decree no. 231 (hereinafter the “Decree”) was enacted on 8 June 2001 and came into force on 4 July 2001, by which the national legislation was aligned with international agreements on the liability of legal persons, to which Italy had already been party.

The Decree, which lays down “*Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality*”, introduced into the Italian legal order a regime of administrative liability applicable to entities (i.e. companies, associations, consortia, etc., hereinafter “Entities”) for a series of specified offences committed in the interest or for the benefit of the Entity (so-called “**predicate offences**”):

- by natural persons holding representation, administration or management positions in the Entity or in a financially and functionally independent organisational unit thereof; and by natural persons who exercise, also *de facto*, the management and control of the Entity;
- by natural persons subject to the management or supervision of one of the persons indicated above.

The Entity’s administrative liability supplements the criminal and civil liability of the natural person who actually committed the offence.

Among the various sanctions that can be imposed, disqualification sanctions are certainly the most onerous for the Entity, such as suspension or revocation of licenses and concessions, prohibition on formal dealings with the public administration, disqualification from business activities, exclusion from or revocation of funding and contributions, and prohibition of advertisement of goods and services. The above-mentioned liability also applies to offences committed abroad, provided that the country in which the offence was committed does not initiate proceedings in respect of those offences.

The first category of predicate offences involving the Entity’s administrative liability is that of **offences against the Public Administration**<sup>1</sup>, which are detailed in Articles 24 and 25 of the Decree, namely:

- unlawful receipt of public funding (316-ter, Criminal Code);
- fraud to the detriment of the State or other Public Body (Article 640.2.1, Criminal Code);
- aggravated fraud to obtain public funds (Article 640-bis, Criminal Code);
- computer fraud to the detriment of the State or other Public Body (Article 640-ter, Criminal Code);
- corruption relating to the exercise of duties (Articles 318 and 321, Criminal Code);
- corruption relating to an act contrary to official duties (Articles 319 and 321, Criminal Code);
- corruption in judicial proceedings (Articles 319-ter and 321, Criminal Code);
- unlawful inducement to give or promise a benefit (Article 319-quater, Criminal Code);
- invitement to corruption (Article 322, Criminal Code);

corruption of a person delegated to perform a public service (Articles 320 and 321, Criminal Code);<sup>1</sup>.

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<sup>1</sup> As amended by Italian Law 190/2012 and by the more recent Italian Law no. 69 of 21 May 2015 (Italian Law 69/2015) with reference to the new formulation of the offence of extortion (Article 317 of the Italian Criminal Code), and the exacerbation of penalties for the criminal offences of corruption (Articles 318-319). Further regulatory changes were made by the Italian Decree Law no. 13 of 25 February 2022 (converted into Italian Law no. 25 of 28 March 2022), by Italian Legislative Decree no. 150 of 10 October 2022 and Italian Legislative Decree no. 156 of 4 October 2022 as well as, most recently, by Italian Decree Law no. 105 of 10 August 2023 (converted into Italian Law no. 137 of 9 October 2023), which added to the catalogue of predicate offences the offences of disruption of the freedom of auctions (Art. 353 of the Italian Criminal Code) and of disruption of the freedom of choice of contractor procedure (Art. 353-bis of the Italian Criminal Code)

- trading in influence (Article 346-bis, Criminal Code<sup>2</sup>);
- fraud in public supplies (Article 356, Criminal Code<sup>3</sup>);
- abuse of authority (art. 323, Criminal Code<sup>4</sup>);
- embezzlement (artt. 314 and 316, Criminal Code);
- extortion (Article 317, Criminal Code);
- embezzlement of public fundings (Article 316-bis, Criminal Code);
- fraudulent conversion, extortion, undue inducement to give or promise benefits, corruption and incitement to corrupt, abuse of office of members of International Courts or European Union bodies or international parliamentary assemblies or international organisations and officials of the European Union and foreign States (Article 322-bis, Criminal Code).
- undue receipt of disbursements or contributions from European agricultural funds (Art. 2 of Italian Law 898/1986);
- disruption of the freedom of auctions (Art. 353 of the Italian Criminal Code);
- disruption of the freedom of choice of contractor procedure (Art. 353 *bis* of the Italian Criminal Code).

Art. 24 *bis* of the Decree provides for **computer crimes and unlawful data processing** as predicate offences, which also extends the liability of Entities to the following so-called computer crimes:

- unauthorised access to a computer or telematic system (Art. 615 *ter* of the Italian Criminal Code);
- unauthorised possession, dissemination and installation of equipment, codes and other means of accessing computer or telematic systems (Art. 615 *quater* of the Italian Criminal Code);
- dissemination of computer equipment, devices or programmes intended to damage or interrupt a computer or telematic system (Art. 615 *quinquies* of the Italian Criminal Code);
- unlawful interception, obstruction or interruption of computer or telematic communications (Art. 617 *quater* of the Italian Criminal Code);
- installation of equipment designed to intercept, impede or interrupt computer or telematic communications (Art. 617 *quinquies* of the Italian Criminal Code);
- damage to computer information, data and programmes (Art. 635 *bis* of the Italian Criminal Code);
- damage to information, data and computer programmes used by the Government or other public body or otherwise of public utility (Art. 635 *ter* of the Italian Criminal Code);
- damage to computer or telematic systems (Art. 635 *quater* of the Italian Criminal Code);
- damage to computer or telematic systems of public utility (Art. 635 *quinquies* of the Italian Criminal Code);
- computer documents (Art. 491 *bis* of the Italian Criminal Code);

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1. <sup>2</sup> Introduced by Italian Law 3/2019.

2. <sup>3</sup> As amended by Italian Legislative Decree no. 75 of 14 July 2020.

3. <sup>4</sup> Embezzlement crimes (art. 314, 1st paragraph, Italian Criminal Code), embezzlement by reason of third-party mistake (art. 316, Italian Criminal Code) and abuse of authority (art. 323, Italian Criminal Code), have an impact from a 231 law perspective “only when the facts represent an offense to financial interests of the European Union”.

- computer fraud of the party providing electronic signature certification services (Art. 640 *quinquies* of the Italian Criminal Code);
- national cyber security perimeter (Art. 1(11) of Italian Decree Law no. 105 of 21 September 2019).

Art. 491 *bis* of the Criminal Code (“*if any of the forgeries provided for in this chapter concern a public or private electronic document having evidentiary effect, the provisions of the same chapter concerning public deeds and private contracts respectively shall apply*”) extends the provisions on forgery of public deeds or private contracts to forgeries concerning an electronic document. The offences referred to are as follows:

- material falsity committed by a public official in public deeds (Art. 476 of the Italian Criminal Code);
- material falsity committed by a public official in certificates or administrative authorisations (Art. 477 of the Italian Criminal Code);
- material falsity committed by a public official in certified copies of public or private deeds and in certificates of the contents of deeds (Art. 478 of the Italian Criminal Code);
- ideological forgery committed by a public official in public deeds (Art. 479 of the Italian Criminal Code);
- ideological forgery committed by a public official in certificates or administrative authorisations (Art. 480 of the Italian Criminal Code);
- ideological forgery in certificates committed by persons performing a service of public necessity (Art. 481 of the Italian Criminal Code);
- material forgery committed by a private individual (Art. 482 of the Italian Criminal Code);
- ideological forgery committed by a private individual in a public deed (Art. 483 of the Italian Criminal Code);
- forgery in registers and notifications (Art. 484 of the Italian Criminal Code);
- forgery in a private deed (Art. 485 of the Italian Criminal Code).
- forgery of signed blank sheet. Private deed (Art. 486 of the Italian Criminal Code);
- forgery of signed blank sheet. Public deed (Art. 487 of the Italian Criminal Code);
- other forgeries in signed blank sheets. Applicability of the provisions on material falsities (Art. 488 of the Italian Criminal Code);
- use of a false act (Art. 489 of the Italian Criminal Code);
- suppression, destruction and concealment of true deeds (Art. 490 of the Italian Criminal Code);
- certified copies that take the place of missing originals (Art. 492 of the Italian Criminal Code);
- falsities committed by public employees in charge of a public service (Art. 493 of the Italian Criminal Code);
- computer fraud of the party providing electronic signature certification services (Art. 640 *quinquies* of the Italian Criminal Code).

Subsequently, Art. 24 *ter* was introduced concerning the liability of Entities for the commission of

**organised crime**<sup>5</sup> with particular reference to the following offences:

- criminal conspiracy (Art. 416 of the Italian Criminal Code);
- mafia-type associations, including foreign ones (Art. 416 *bis* of the Italian Criminal Code);
- political-mafia electoral exchange (Art. 416 *ter* of the Italian Criminal Code);
- kidnapping for the purpose of extortion (Art. 630 of the Italian Criminal Code);
- crimes committed by taking advantage of the conditions of subjugation and code of silence resulting from the existence of mafia influence;
- association for the purpose of unlawful trafficking in narcotic drugs or psychotropic substances (Art. 74 of Italian Presidential Decree no. 309 of 9 October 1990);
- offences of unlawful manufacture, introduction into the country, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or warlike or parts thereof, explosives, clandestine weapons as well as several common firearms (Art. 407, paragraph 2(a) (5) of the Italian Code of Criminal Procedure).

Article 25-bis of the Decree - introduced by Article 6 of Law no. 409 of 23 September 2001, then refers to the **offences of counterfeiting of currency, public credit notes and official stamps and instruments or signs of recognition**:

- counterfeiting of currency, spending and bringing counterfeit currency into the State in association with others (Article 453, Criminal Code);
- alteration of currency (Article 454, Criminal Code);
- spending and bringing counterfeit currency into the State without association with others (Article 455, Criminal Code);
- spending counterfeit currency received in good faith (Article 457, Criminal Code);
- counterfeiting of official stamps, bringing into the State, acquiring, possessing or placing counterfeit official stamps in circulation (Article 459, Criminal Code);
- counterfeiting of watermarked paper used to make public credit notes or official stamps (Article 460, Criminal Code);
- fabrication or possession of watermarks or tools used to forge currency, official stamps or watermarked paper (Article 461, Criminal Code);
- use of counterfeited or altered official stamps (Article 464, subsections 1 and 2, Criminal Code).

The offences provided for in Art. 25 *bis* of the Decree were then extended, with the introduction of certain offences protecting **industrial property**, namely:

- counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Art. 473 of the Italian Criminal Code);
- introduction into the country and trade in products with false signs (Art. 474 of the Italian Criminal Code).

With the introduction of Art. 25 *bis*.1, the liability of entities for **offences against industry and trade** has been extended, with particular reference to the following offences:

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<sup>5</sup> Organised crime offences were previously only relevant for the purposes of the Decree if they were transnational in nature.

- disruption of freedom of industry or trade (Art. 513 of the Italian Criminal Code);
- unlawful competition with threats or violence (Art. 513 *bis of* the Italian Criminal Code);
- fraud against national industries (Art. 514 of the Italian Criminal Code).
- fraud in the exercise of trade (Art. 515 of the Italian Criminal Code);
- sale of non-genuine foodstuffs as genuine (Art. 516 of the Italian Criminal Code);
- sale of industrial products with misleading signs (Art. 517 of the Italian Criminal Code);
- manufacture of and trade in goods made by usurping industrial property rights (Art. 517 *ter* of the Italian Criminal Code);
- counterfeiting of geographical indications or designations of origin for agri-food products (Art. 517 *quater* of the Italian Criminal Code).

A further important category of offences involving the Entity's administrative liability is that of **corporate offences**, regulated by Article 25-ter of the Decree:

- false corporate reporting (Article 2621, Italian Civil Code);
- minor acts (Article 2621-bis, Italian Civil Code);
- false corporate reporting of listed companies (Article 2622, Italian Civil Code, in the new formulation provided for by Law 69/2015);
- false statement in a prospectus (Article 2623 of the Italian Civil Code, repealed by Article 34 of Law no. 262/2005, which nevertheless introduced Article 173-bis of Legislative Decree no. 58 of 24 February 1998)<sup>6</sup>;
- false reports or communications from the audit firm (Article 2624, Italian Civil Code)<sup>7</sup>;
- obstruction of control<sup>8</sup> (Article 2625, Italian Civil Code);
- undue repayment of contributions (Article 2626, Italian Civil Code);
- unlawful distribution of profits and reserves (Article 2627, Italian Civil Code);

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<sup>6</sup> Article 2623 of the Italian Civil Code (False statement in a prospectus) was repealed by Law 262/2005, which reproduced the same offence provision by introducing Article 173-bis of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance, hereinafter also the "TUF"). This new criminal law provision is not currently specified on the list of offences referenced by Legislative Decree 231/2001. One line of legal scholarship, however, considers that although Article 173-bis of the TUF is not referred to by Legislative Decree 231/2001, it is still a source of administrative liability for Entities as being in regulatory continuity with the previous Article 2623 of the Italian Civil Code. But Italian case law has ruled differently, although on the different offence referred to in Article 2624 of the Italian Civil Code (False reports or communications from the audit firm) [see note below], considering that this offence is no longer a source of liability pursuant to Legislative Decree 231/2001 and relying upon the principle of lawfulness of the Decree's provisions. In view of the lack of any specific pronouncement on Article 2623, similar to that made in connection with Article 2624, it was decided as a precautionary measure to take this offence into theoretical consideration in the Model.

<sup>7</sup> It should be noted that Italian Legislative Decree no. 39 of 27 January 2010 (Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC), which came into force on 7 April 2010, repealed Article 2624 of the Italian Civil Code - False statements in the reports or communications of auditing companies - by reinserting, however, the same case within the same Italian Legislative Decree 39/2010 (Article 27), which, however, is not referred to by Italian Legislative Decree 231/2001.

The United Sections of the Italian Supreme Court of Cassation, in judgment no. 34776/2011, ruled that the case of false audit already provided for by Article 2624 of the Italian Civil Code can no longer be considered a source of the criminal liability of entities, given that the aforesaid article was repealed by Italian Legislative Decree 39/2010. In fact, the Court pointed out that the legislative intervention that reformed the subject matter of auditing had intended to intentionally remove the offences of auditors from the scope of Italian Legislative Decree 231/2001 and that, therefore, in light of the principle of legality that governs it, it can only be concluded that the offence of false audit has been substantially abolished.

Following the publication of the judgment, therefore, the offence was no longer considered for the purposes of risk assessment.

<sup>8</sup> It should be noted that Italian Legislative Decree no. 39 of 27 January 2010 amended Article 2625 of the Italian Civil Code by eliminating the reference to auditing activities and auditing companies; therefore, the conduct of impeding control only concerns hindering or preventing the performance of control activities legally attributed to shareholders or other corporate bodies.

- unlawful dealing in the stocks or shares of the company or its parent company (Article 2628, Italian Civil Code);
- transactions to the detriment of creditors (Article 2629, Italian Civil Code);
- failure to disclose conflicts of interest (Article 2629-bis, Italian Civil Code);
- fictitious capital formation (Article 2632, Italian Civil Code);
- improper distribution of company assets by liquidators (Article 2633, Italian Civil Code);
- corruption between private individuals (Article 2635, Italian Civil Code);
- incitement to bribery among private individuals (Article 2635-bis, Italian Civil Code);
- unlawful influence on the shareholders' meeting (Article 2636, Italian Civil Code);
- market rigging (Article 2637 of the Italian Civil Code, amended by Law no. 62 of 18 April 2005);
- obstruction of the duties of the Public Supervisory Authorities (Article 2638 of the Italian Civil Code, amended by Law 62/2005 and by Law 262/2005);
- false or omitted declarations for the issuance of the preliminary certificate required by the implementing legislation of EU Directive 2019/2121 of the Parliament and of the Council of 27 November 2019 (introduced by Italian Legislative Decree no. 19 of 2 March 2023).

Subsequently, by Italian Law no. 7 of 14 January 2003, Article 25-*quater* of the Decree was introduced, which further extended the scope of the administrative liability for crimes to the **offences for**

<sup>5</sup> It should be noted that Legislative Decree no. 39 of 27 January 2010 (Implementation of Directive 2006/43/EC on external statutory audits of the annual and consolidated accounts, which amends the Directives 78/660/EEC and 83/349/EEC, and repeals Directive 84/253/EEC), which came into force on 7 April 2010, repealed Article 2624 of the Italian Civil Code (false reports or communications from audit firms) - but re-included the same offence category within the aforementioned Legislative Decree 39/2010 (Article 27), which however is not referred to by Legislative Decree 231/2001.

By judgement no. 34776/2011, the United Chambers of the Supreme Court of Cassation established that the offence of falsification in audits already provided for by Article 2624 of the Italian Civil Code can no longer be considered a source of liability of Entities, as the aforementioned Article was repealed by Legislative Decree 39/2010. The Court, in fact, highlighted how the legislative intervention that remoulded the field of auditing of accounts deliberately removed auditors' offences from the scope of Legislative Decree 231/2001, and that, therefore, in view of the principle of lawfulness that governs it, one can only assume that the offence of falsification in audits has been abolished.

After the judgment was published, therefore, the offence has no longer been taken into account as being relevant for risk assessment purposes.

<sup>6</sup> Note that Legislative Decree no. 39 of 27 January 2010 amended Article 2625 of the Italian Civil Code by removing the reference to auditing activities and to audit firms, therefore the obstruction of control only refers to obstructing or impeding control functions attributed by law to shareholders or other governing bodies



**purposes of terrorism and subversion of the democratic order** which are provided for by the Criminal Code and by special laws. In particular, the following offences become relevant:

- associations for the purposes of terrorism, including international terrorism or subversion of the democratic order (Art. 270-*bis*, Italian Criminal Code);
- aggravating and mitigating circumstances (Art. 270-*bis*.1, Italian Criminal Code);
- assistance to members (Art. 270-*bis*, Italian Criminal Code);
- recruitment for the purposes of terrorism, including international terrorism (Art. 270-*quater*, Italian Criminal Code);
- organisation of transfers for the purpose of terrorism (Art. 270-*quater*.1, Italian Criminal Code);
- training for activities with the purpose of terrorism, including international terrorism (Art. 270-*quinquies*, Italian Criminal Code);
- financing of conduct with the purpose of terrorism (Art. 270-*quinquies*.1, Italian Criminal Code);
- embezzlement of seized goods or money (Art. 270-*quinquies*.2, Italian Criminal Code);
- conduct for the purpose of terrorism (Art. 270-*sexies*, Italian Criminal Code);
- attack for the purpose of terrorism or subversion (Art. 280, Italian Criminal Code);
- acts of terrorism with deadly or explosive devices (Art. 280-*bis*, Italian Criminal Code);
- kidnapping for the purpose of terrorism or subversion (Art. 289-*bis*, Italian Criminal Code);
- incitement to commit any of the offences provided for in Chapters 1 and 2 (Art. 302, Italian Criminal Code);
- urgent measures for the protection of democratic order and public security (Art. 1 of Italian Legislative Decree 625/1979);
- article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999.

Italian Law no. 7 of 9 January 2006 also introduced Article 25-*quater*.1 of the Decree, which provides for the Entity's administrative liability for offences against physical safety, with particular reference to female sexual integrity. In fact, it extended the Entity's liability in the event of the **practice of mutilation of female genital organs** (Article 583-*bis* of the Italian Criminal Code).

Subsequently, Law no. 228 of 11 August 2003 introduced Article 25-*quinquies* of the Decree, by which the Entity is liable for the commission of **offences against individuals**:

- reduction into or maintenance of slavery or servitude (Article 600, Criminal Code);
- trafficking in human beings (Article 601, Criminal Code);
- purchase and sale of slaves (Article 602, Criminal Code);
- child prostitution (Article 600-*bis*, first and second subsection, Criminal Code);
- child pornography (Article 600-*ter*, Criminal Code);
- tourist initiatives aimed at exploiting child prostitution (Article 600-*quinquies*, Criminal Code);
- possession or access to pornographic material (Article 600-*quater*, Criminal Code);
- virtual pornography (Article 600-*quater*.1 of the Italian Criminal Code);
- solicitation of minors (Article 609-*undecies*, Criminal Code), introduced by Legislative Decree no. 39/2014;
- illegal intermediation and exploitation of labour (Article 603-*bis* of the Italian Criminal Code);

- solicitation of minors (Article 609-*undecies* of the Italian Criminal Code).

Italian Law no. 62/2005 (the “Community Law”) and Law no. 262/2005, better known as the “Savings Protection Law”, have increased the number of offence categories of relevance for the purposes of the Decree with the introduction of Article 25-*sexies*, relating to the **offences of market abuse**, most recently amended by Italian Law no. 238 of 23 December 2021:

- insider trading (Article 184 of Legislative Decree no. 58/1998);
- market manipulation (Article 185 of Legislative Decree no. 58/1998).

Art. 25 *septies* of the Decree provides for the liability of Entities for offences of **manslaughter and serious or very serious culpable lesions committed in violation of occupational health and safety regulations**:

- manslaughter (Art. 589 of the Italian Criminal Code), with violation of the regulations on accidents and the protection of hygiene and health at work;
- culpable personal injury (Art. 590, paragraph 3, of the Italian Criminal Code), in violation of the regulations on accidents and the protection of hygiene and health at work.

Art. 25 *octies* of the Decree provides for the liability of the Entity in the event of the commission of the offences of **receiving stolen goods** (Art. 648 of the Italian Criminal Code), **money laundering** (Art. 648-*bis* of the Italian Criminal Code), **use of money, goods or benefits of unlawful origin** (Art. 648-*ter* of the Italian Criminal Code), as well as **self-laundering** (Art. 648-*ter*.1 of the Italian Criminal Code). These cases were last amended by Italian Legislative Decree no. 195 of 8 November 2021.

With Italian Legislative Decree no. 184 of 24 November 2021 a new category of predicate offences was also introduced in Art. 25-*octies*.1, concerning **offences relating to non-cash means of payment and fraudulent transfer of valuables** (as last amended by Italian Decree-Law no. 105/2023, converted into Italian Law no. 137). In particular, the following offences have been added to the list of predicate offences:

- misuse and counterfeiting of non-cash payment instruments (Art. 493-*ter* of the Italian Criminal Code);
- possession and distribution of equipment, devices or computer programmes intended to commit offences involving non-cash payment instruments (Art. 493-*quater* of the Italian Criminal Code);
- computer fraud (Art. 640-*ter* of the Italian Criminal Code), in the hypothesis aggravated by the carrying out of a transfer of money, monetary value or virtual currency;
- fraudulent transfer of valuables (Art. 512-*bis* of the Italian Criminal Code) (introduced by Italian Decree-Law no. 105/2023, converted into Italian Law no. 137 of 9 October 2023).

With reference to copyright protection, Art. 25-*novies* of the Decree includes among the predicate offences **copyright infringement offences**, with specific reference to the following offences provided for in Arts. 171, first paragraph, letter (*a-bis*), and third paragraph, 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies* of Italian Law no.633 of 22 April 1941):

- making available to the public in a system of telematic networks, through connections of any kind, and without having the right to do so, a work or part of a protected intellectual work (Art. 171, paragraph 1(a-bis), Italian Law no. 633/1941).
- Offence referred to in the preceding paragraph committed on another person’s work not intended for publicity, or by usurpating the authorship of the work, or by deforming, mutilating or otherwise modifying the work, if the honour or reputation of the author is offended (Art. 171, paragraph 3, Italian Law no. 633/1941).

- Unauthorised duplication, for profit, of computer programs; import, distribution, sale, possession for commercial or entrepreneurial purposes or rental of programs contained in media not marked by the SIAE; preparation of means to allow or facilitate the arbitrary removal or functional circumvention of computer program protection devices (Article 171-*bis*, paragraph 1, Italian Law no. 633/1941).
- Reproduction on non-SIAE-marked media, transfer to another medium, distribution, communication, presentation or demonstration in public, of the contents of a database for the purpose of profiting therefrom; extraction or re-use of the database in violation of the provisions on the rights of the maker and user of a database; distribution, sale or rental of databases (Art. 171-*bis*, paragraph 2, Italian Law no. 633/1941).
- Unauthorised duplication, reproduction, transmission or dissemination in public by any means, in whole or in part, of intellectual property works intended for the television, film, sale or rental circuit, of records, tapes or similar media or of any other media containing phonograms or videograms of musical, cinematographic or audiovisual works assimilated or sequences of moving images (in Art. 171-*ter*(1)(a), Italian Law no. 633/1941).
- Unauthorised reproduction, transmission or dissemination in public by any process, of literary, dramatic, scientific or educational, musical or dramatic-musical, multimedia works or parts thereof, even if they are included in collective or composite works or databases (in Art. 171-*ter*(1)(b), Italian Law no. 633/1941).
- Introduction into the territory of the country, possession for sale or distribution, distribution, placing on the market, rental or assignment for any reason whatsoever, public projection, broadcasting by means of television by any process whatsoever, broadcasting by means of radio, of the unauthorised duplications or reproductions referred to in subparagraphs (a) and (b) without having taken part in the duplication or reproduction (in Art. 171-*ter*(1)(c), Italian Law no. 633/1941).
- Possession for sale or distribution, putting on the market, sale, rental, transfer for any reason, public projection, broadcasting by radio or television by any process, of video cassettes, music cassettes, any medium containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of moving images, or any other medium for which the SIAE mark is prescribed, without the SIAE mark or with a counterfeit or altered mark (in Art. 171-*ter*(1)(d), Italian Law no. 633/1941).
- Retransmission or broadcasting by any means whatsoever of an encrypted service received by means of apparatus or parts of apparatus suitable for decoding conditional access transmissions, in the absence of an agreement with the lawful distributor (in Art. 171-*ter*(1)(e), Italian Law no. 633/1941).
- Introduction into the territory of the country, possession for sale or distribution, distribution, sale, rental, transfer for any reason, commercial promotion, installation of special decoding devices or elements that allow access to an encrypted service without payment of the fee due (in Art. 171-*ter*(1)(f), Italian Law no.633/1941).
- Manufacture, import, distribution, sale, rental, transfer for any reason, advertising for sale or rental, or possession for commercial purposes, of equipment, products or components or the provision of services for the commercial use or prevalent purpose of circumventing effective technological protection measures, or designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of such measures (in Art. 171-*ter*(1)(f-bis), Italian Law no. 633/1941).
- Unauthorised removal or alteration of electronic rights-management information referred to in Article 102-*quinquies*, or distribution, importation for distribution purposes, broadcasting by radio or television, communication or making available to the public of works or other protected material

from which the electronic information has been removed or altered (in Art. 171-ter(1)(h), Italian Law no. 633/1941).

- Unauthorised reproduction, duplication, transmission or dissemination, sale or trade, transfer for any reason or unauthorised importation of more than 50 copies or specimens of works protected by copyright and related rights (in Art. 171-ter(2)(a), Italian Law no. 633/1941).
- Placing for profit in a system of telematic networks, by means of connections of any kind, of a work or part of an original work protected by copyright, in violation of the author's exclusive right of communication to the public (in Art. 171-ter(2)(a-bis), Italian Law no. 633/1941).
- Carrying out of the conduct provided for in Art. 171-ter, paragraph 1, Italian Law no. 633/1941, by anyone engaging in the entrepreneurial activity of reproduction, distribution, sale or marketing, or importation of works protected by copyright and related rights (in Art. 171-ter(2)(b), Italian Law no. 633/1941).
- Promotion or organisation of the unlawful activities referred to in Art. 171-ter, paragraph 1, Italian Law no. 633/1941 (in Art. 171-ter(2)(c), Italian Law no. 633/1941).
- Failure to notify the SIAE of the identification data of media not subject to the marking, by producers or importers of such media, or false declaration concerning the fulfilment of obligations on the marking (Art. 171-septies, Italian Law no. 633/1941).
- Fraudulent production, sale, import, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for decoding audiovisual transmissions with conditional access made over the air, via satellite, via cable, in both analogue and digital form (Art. 171-octies, Italian Law no. 633/1941).

Moreover, Art. 4 of Italian Law no. 116 of 3 August 2009 introduced Article 25-*decies* of the Decree, under which the Entity is held liable for the commission of the offence provided for in Art. 377-*bis* of the Italian Criminal Code (**inducement not to make statements or to make false statements to the judicial authorities**).

Subsequently, Italian Legislative Decree 121/2011 introduced into the Decree Art. 25-*undecies*, which extended the administrative liability for offences committed by entities to so-called **environmental offences**, with particular reference to two offences introduced in 2011 into the Italian Criminal Code (Art. 727-*bis* of the Italian Criminal Code and 733-*bis* of the Italian Criminal Code), as well as to a number of offences already provided for in the so-called Environmental Code (Italian Legislative Decree no. 152/2006) and other special environmental protection regulations (Italian Law no. 150/1992, Italian Law no. 549/1993, Italian Legislative Decree no. 202/2007). Specifically:

a) **offences under the Environmental Code**, such as:

- killing, destruction, capture, taking, possession of specimens of wild animal or plant species protected under Art. 727-*bis*;
- destruction or deterioration of habitats within a site protected under Art. 733-*bis*;
- international trade in endangered animal and plant species and
- trade in and possession of live specimens of mammals and reptiles that may constitute a danger to public health and safety under Art. 1, paragraphs 1 and 2; Art. 2, paragraphs 1 and 2; 3-*bis*, paragraph 1, 6, paragraph 4, Italian Law no. 150 of 7 February 1992;
- violations related to the use of harmful substances under Art. 3, paragraph 6, Italian Law no. 549 of 28 December 1993;

- violations concerning the discharge of waste water as referred to in Art. 137;
  - unauthorised waste management activities pursuant to Art. 256;
  - violations of site remediation pursuant to Art. 257, paragraphs 1 and 2 of Italian Legislative Decree no. 152/2006;
  - breach of reporting obligations, keeping of mandatory registers, forms pursuant to Art. 258;
  - illegal trafficking of waste under Art. 259;
  - breach of SISTRI obligations pursuant to Art. 260-*bis*, paragraphs 6, 7 and 8;
  - violations concerning hazardous activities referred to in Art. 279, paragraph 5 (exceeding of emission limit values leading to exceeding of air quality limit values).
- b) **offences provided for** in Italian Legislative Decree no. 549/1999 “Measures to protect stratospheric ozone and the environment”: Art. 3, paragraph 6: violations concerning the cessation and reduction of the use of the harmful substances listed in Table A of the decree itself;
- c) **offences provided for in Italian Law no. 150 of 7 February 1992** “*Discipline of offences relating to the application in Italy of the Convention on International Trade in Endangered Species of Wild Fauna and Flora*”.

With the entry into force of Italian Law 68/2015, the legislator identified new cases as a prerequisite for the administrative liability of Entities, thus supplementing the list of offences set out in Art. 25-*undecies* of Italian Legislative Decree no. 231/2001:

- environmental pollution (Art. 452-*bis*, Italian Criminal Code);
- environmental disaster (Art. 452-*quarter*, Italian Criminal Code);
- culpable offences against the environment (Art. 452-*quinquies*, Italian Criminal Code);
- trafficking and abandonment of highly radioactive material (Art. 452-*sexies*, Italian Criminal Code);
- aggravating circumstances (Art. 452-*octies*, Italian Criminal Code);
- organised activities for the illegal trafficking of waste (Art. 452-*quaterdecies*, Italian Criminal Code).<sup>9</sup>

In implementation of EU Directive 2009/52/EC, Italian Legislative Decree no. 109/2012 was issued, which, among other things, sanctioned the inclusion in the Decree of Article 25-*duodecies* concerning the **crime of employment of third-country nationals whose stay is irregular**. In particular, this offence concerns the following:

- art. 22, paragraph 12-*bis*, of Italian Legislative Decree no. 286 of 25 July 1998, i.e. the conduct of an employer who employs foreign workers without a residence permit. For such conduct, a fine of 100 to 200 quotas shall be imposed on the Entity;
- art. 12, paragraph 3, 3-*bis* and 3-*ter* of Italian Legislative Decree no. 286 of 25 July 1998, i.e. the conduct of anyone who “*promotes, directs, organises, finances or carries out the transport of foreigners into the territory of the country or commits other acts aimed at illegally procuring their entry into the territory of the country, or of another country of which the person is not a citizen or*

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<sup>9</sup> Following the Italian Legislative Decree no. 21/2018 the reference to Art. 260 TUA is to be understood in Art. 452-*quaterdecies* of the Italian Criminal Code.

*does not have the right of permanent residence*”, including the relevant aggravating circumstances. For such conduct, a fine of 400 to 1,000 quotas shall be imposed on the Entity;

- art. 12, paragraph 5 of Italian Legislative Decree no. 286 of 25 July 1998, i.e. the conduct of anyone who “*in order to gain an unfair profit from the illegal status of the foreigner or in the context of the activities punishable under this Article, favours the permanence of the latter in the territory of the country*”. For such conduct, a fine of 100 to 200 quotas shall be imposed on the entity.

On 12 December 2017, the Italian Law 167/2017 bearing “Provisions for the fulfilment of obligations arising from Italy’s membership of the European Union”, which, among its provisions, introduced into Italian Legislative Decree 231/2001 the new Art. 25-*terdecies*, concerning the **crime of racism and xenophobia**, came into force.

In particular, this article supplements the catalogue of predicate offences of the administrative liability of entities with the offences referred to in Art. 3, paragraph 3-*bis*, of Italian Law 654/1975 (this reference must be understood as referring to Art. 604-*bis* of the Italian Criminal Code - Propaganda and incitement to commit offences on grounds of racial, ethnic and religious discrimination, introduced by Italian Law 167/2017) *i.e.* propaganda and incitement to hatred or violence on racial, ethnic, national or religious grounds, committed in such a way that a concrete danger of dissemination arises, which are based in whole or in part on the denial, gross trivialisation or apologia of the Shoah or crimes of genocide, crimes against humanity and war crimes.

With Art. 25-*quaterdecies*, a further category of predicate offence was introduced concerning **fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices**.

Furthermore, in implementation of the so-called PIF Directive, **Italian Law no. 157 of 19 December 2019** was adopted, which led to the introduction into the list of predicate offences under Italian Legislative Decree 231/01 also **tax offences**, described in Art. 25-*quinquiesdecies*.

The Entity may therefore be held liable for the commission of the following offences provided for in the Italian Legislative Decree no. 74 of 10 March 2000:

- art. 2 of Italian Legislative Decree 74/2000 - Fraudulent declaration by use of invoices or other documents for non-existent transactions;
- art. 3 of Italian Legislative Decree 74/2000 - Fraudulent declaration by means of other artifices;
- art. 8 of Italian Legislative Decree 74/2000 - Issuance of invoices or other documents for non-existent transactions;
- art. 10 of Italian Legislative Decree 74/2000 - Concealment or destruction of accounting documents;
- art. 11, paragraphs 1 and 2 of Italian Legislative Decree 74/2000 - Fraudulent evasion of taxes.

Following the approval of the legislative decree implementing Directive (EU) 2017/1371 of 14 July 2020, the catalogue of **tax offences**<sup>10</sup> predicate to the liability of the Entity was expanded to include:

- art. 4 of Italian Legislative Decree. 74/2000 - Unfaithful declaration;
- art. 5 of Italian Legislative Decree. 74/2000 - Omitted declaration;

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<sup>10</sup> The tax offences introduced by Italian Legislative Decree. 75/2020 (unfaithful declaration art. 4, omitted declaration Art. 5 and undue compensation Art. 10-*quater* of Italian Legislative Decree 74/2000) are relevant for 231 purposes only “if committed in the context of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of not less than EUR 10 million”.

- art. 10-*quater* of Italian Legislative Decree 74/2000 - Undue compensation.

These cases - based on the provision of paragraph 1-*bis* of Art. 25-*quinquiesdecies*, introduced by Italian Legislative Decree no. 156 of 4 October 2022- give rise to the Entity's liability when they are committed for the purpose of evading value added tax as part of cross-border fraudulent schemes connected to the territory of at least one other Member State of the European Union, resulting or likely to result in total damage equal to or exceeding Euro ten million.

In implementation of EU Directive no. 2017/1371 on combating fraud affecting the financial interests of the Union by means of criminal law, **smuggling offences** under Italian Presidential Decree no. 43 of 23 January 1973 were introduced into the list of predicate offences. The rules governing customs exchanges, in fact, are contained in Italian Presidential Decree no. 23 January 1973, known to most as the Consolidated Customs Act (Articles 282 *et seq.* of Italian Presidential Decree no. 43 of 23 January 1973), which covers smuggling offences and the common discipline in terms of attempt, recidivism, habituality and professionalism in smuggling.

The smuggling offences envisaged are:

- smuggling in the movement of goods across land borders and customs areas (Art. 282 DPR 43/1973);
- smuggling in the movement of goods in border lakes (Art. 283 of Italian Presidential Decree 43/1973);
- smuggling in the maritime movement of goods (Art. 284 of Italian Presidential Decree 43/1973);
- smuggling in the movement of goods by air (Art. 285 of Italian Presidential Decree 43/1973);
- smuggling in non-customs zones (Art. 286 of Italian Presidential Decree 43/1973);
- smuggling for undue use of goods imported with customs facilities (Art. 287 of Italian Presidential Decree 43/1973);
- smuggling in customs warehouses (Art. 288 of Italian Presidential Decree 43/1973);
- smuggling in cabotage and circulation (Art. 289 of Italian Presidential Decree 43/1973);
- smuggling in the export of goods eligible for duty drawback (Art. 290 of Italian Presidential Decree 43/1973);
- smuggling on temporary import or export (Art. 291 of Italian Presidential Decree 43/1973);
- smuggling of foreign manufactured tobacco products (Art. 291 bis of Italian Presidential Decree 43/1973);
- aggravating circumstances of the crime of smuggling foreign manufactured tobacco products (Art. 291 *ter* of Italian Presidential Decree 43/1973);
- criminal association for the purpose of smuggling foreign manufactured tobacco products (Art. 291 *quater* of Italian Presidential Decree 43/1973);
- other cases of smuggling (Art. 292 of Italian Presidential Decree 43/1973).

It should also be noted that, by Italian Law no. 22 of 9 March 2022, there was a further expansion of the list of predicate offences through the introduction of Articles 25-*septiesdecies* (**offences against cultural heritage**) and 25-*duodevicies* (**laundering of cultural property and devastation and looting of cultural and landscape heritage**). Specifically, the following offences have been added to the list of predicate offences:

- theft of cultural goods (Art. 518-*bis* of the Italian Criminal Code);
- misappropriation of cultural goods (Art. 518-*ter* of the Italian Criminal Code);
- receiving of stolen cultural goods (Art. 518-*quater* of the Italian Criminal Code);
- forgery in a private contract relating to cultural goods (Art. 518-*octies* of the Italian Criminal Code);
- violations concerning the sale of cultural goods (Art. 518-*novies* of the Italian Criminal Code);
- unlawful importation of cultural goods (Art. 518-*decies* of Italian Criminal Code);
- destruction, dispersal, deterioration, defacement, defacement and unlawful use of cultural or landscape assets (Art. 518-*duodecies* of the Italian Criminal Code);
- unlawful removal or export of cultural goods (Art. 518-*undecies* of the Italian Criminal Code);
- destruction, dispersal, deterioration, defacement, defacement and unlawful use of cultural or landscape assets (Art. 518-*duodecies* of the Italian Criminal Code);
- counterfeiting of works of art (Art. 518-*quaterdecies* of the Italian Criminal Code);
- laundering of cultural goods (Art. 518-*sexies* of the Italian Criminal Code);
- devastation and looting of cultural and landscape assets (Art. 518-*terdecies* of the Italian Criminal Code).

The Law no. 146 of 16 March 2006, which ratified the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and on 31 May 2001, finally made Entities liable for a number of **transactional offences**.

Offences are regarded as transnational in nature when an organised criminal group is involved in the commission of the offence and the sanction for this offence is no less than 4 years imprisonment, and when an element of internationality is involved i.e. when the offence is committed in more than one State, or is committed in one State but has substantial effects in another State, or is committed in only one State but a substantial part of its preparation, planning, direction or control takes place in another State, or is committed in one State by an organised criminal group which is involved in that State but is also engaged in criminal activities in more than one State.

The relevant offences in this context are the following:

- criminal association (Article 416, Criminal Code);
- Mafia-type association to commit offences, including foreign associations (Article 416-*bis*, Criminal Code);
- criminal association aimed at smuggling tobacco processed abroad (Article 291-*quater* of Presidential Decree no. 43 of 23 January 1973);



- association for the purpose of illicit trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9 October 1990);
- trafficking of migrants (Article 12.3, 3-bis, 3-ter and 5 of Legislative Decree no. 286 of 25 July 1998);
- obstruction of justice in the form of inducement not to make statements or to make false statements to the judicial authority and of aiding and abetting (Articles 377-bis and 378, Criminal Code).

## **1.2 The adoption of the Organisational, Management and Control Model as a means to exempt Entities from administrative liability.**

Articles 6 and 7 of Italian Legislative Decree no. 231 of 2001 provide for specific forms of exoneration from administrative liability of the Entity for offences committed in the interest or to the advantage of the same by both senior persons and subordinates.

In particular, in the case of offences committed by apical persons, Article 6 of the Decree provides for exoneration if the Entity proves that:

- a) the management body has adopted and effectively implemented, prior to the commission of the offence, an organisational and management model capable of preventing offences of the kind committed (hereinafter, the “**Model**”);
- b) the task of supervising the operation of and compliance with the Model as well as ensuring that it is updated has been entrusted to a body of the Entity (hereinafter, for the sake of brevity, referred to as the “**Supervisory Board**” or the “**SB**”), endowed with autonomous powers of initiative and control;
- c) the persons who committed the offence acted by fraudulently circumventing the Model;
- d) there was no omission or insufficient supervision by the Supervisory Board.

As far as subordinates are concerned, Article 7 of the Decree provides for exoneration from liability in the event that the Entity has adopted and effectively implemented, prior to the commission of the offence, a Model capable of preventing offences of the kind committed.

However, the Entity’s exemption from liability is not determined by the mere adoption of the Model, but by its effective implementation to be achieved through the implementation of all the protocols and controls necessary to limit the risk of commission of the offences that the Company intends to prevent. In particular, the Model must meet the following requirements:

- to identify the activities which may give rise to the offences listed in the Decree (so-called activities at risk of offence);
- to establish specific protocols that can guide the process of formulating and implementing the Entity's decisions in relation to the offences to be prevented;
- to define procedures for managing financial resources to prevent such offences from being committed;
- to establish reporting obligations to the Body responsible for monitoring the Model's operation and compliance;
- to put in place an effective disciplinary system to punish non-compliance with the measures required by the Model;
- to provide one or more channels for reporting unlawful conduct or violations of the Model (so-called whistleblowing - see paragraph 3.5.3 below in more detail).

Lastly, Article 6 of the Decree provides that organisational and management Models may be adopted on the basis of codes of conduct prepared by representative trade associations and submitted to the Ministry of Justice.

## **2. ADOPTION OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/01 OF FENDI S.R.L.**

Fendi S.r.l., (hereinafter also “**Fendi**” or the “**Company**”) has as its corporate purpose the purchase, production and sale (including on-line) in Italy and abroad of industrial and artisan products such as (without limitation) leather goods and accessories, outer clothing in fabric, knitwear, leather, various materials, leather articles, clothing accessories, jewellery, gold objects, costume jewellery.

Fendi S.r.l. - in order to ensure that the conduct of all persons operating on behalf or in the interest of the Company complies in all circumstances with applicable legislative and regulatory provisions and with the principles of integrity and transparency when carrying out business activities - has adopted the Organisational, Management and Control Model, in line with the provisions of Legislative Decree 231/2001 and based on the Guidelines issued by Confindustria.

This action was taken in the belief that drawing up, adopting and implementing this Model - even apart from the Decree's requirements - is a valid means to raise the awareness of all persons operating in the name or on behalf of the Company as to the importance of conducting themselves correctly and properly when carrying out their duties, in order to minimise the risk of commission of the offences listed under the Decree.

The following are Recipients of this Model who are, as such, required to know and comply with said Model within the context of their specific duties and tasks:

- members of the Board of Directors, when pursuing the company's interests in all resolutions adopted;
- members of the Board of Statutory Auditors, in their activities of monitoring and assessing the formal propriety and substantial legitimacy of the Company's activities and the functioning of the internal control and risk management system;
- all employees and collaborators with whom contracts have been signed, on any basis whatsoever, including occasional and/or temporary contracts;
- all persons/entities engaged in commercial or non-commercial dealings of any kind with the Company.

### **2.1 Purposes of the Model of Fendi S.r.l.**

The following are the purposes of the Model:

- to integrate and reinvigorate the Company's Corporate Governance system;
- to establish a structured and consistent system of prevention and control mechanisms whose purpose is to reduce the risk of commission of offences that are potentially associated with the Company's activities;
- to provide information and training to Recipients on the existence of the aforementioned system and on the need to ensure that their activities comply with that system on an ongoing basis;
- to emphasise that the Company does not tolerate and does not engage in unlawful conduct, and that the purpose supposedly pursued or the conviction that one is acting in the Company's interest or for the Company's benefit is no excuse, because such conduct still contravenes the ethical principles and values which inspire the Company's activities and which it intends to uphold in the context of its corporate mission, and is therefore contrary to the Company's interests;

- to inform all persons operating in the name, on behalf or in the interest of the Company that the commission of an offence in the mistaken belief that the Company is benefiting, will not only lead to criminal sanctions being applied against the perpetrator, but also to administrative sanctions against the Company, thereby exposing it to adverse effects and consequences in financial, commercial and operational terms and in terms of loss of image and reputation;
- to inform all persons operating in the name, on behalf or in the interest of the Company that the infringement of the Model's provisions will lead to the application of disciplinary and/or contractual sanctions, prior to and independently of the possible commission of offences.

## **2.2 The process of compiling and updating the Model of Fendi S.r.l.**

The Company guarantees the functionality, updating and continuous implementation of the Model according to the methodology indicated by the *Confindustria* Guidelines and by best practices.

On 14 November 2005, the Company's Board of Directors approved the Organisational Model pursuant to the Decree, drawn up based upon the Confindustria Guidelines, and subsequently updated it by Board resolution of 31 May 2010.

On 27 April 2015, the Board of Directors approved and adopted an additional update to the Model in order to reflect intervening regulatory amendments and also changes in the Company's organisation. The Board of Directors also appointed a new Supervisory Body (hereinafter also "SB") pursuant to Legislative Decree 231/01, following the expiry of the previous Supervisory Body's term of office.

After the offence of self-laundering was introduced into the scope of the Decree, and after the Law 68/2015 introduced changes to the environmental offences and reformulated the offences of corruption and financial statement fraud pursuant to Law 69/2015, the Company again updated the Model, the new version of which was approved by the Board of Directors on 10 December 2015.

Furthermore, on 23 May 2017 the Board of Directors resolved to further update the Model after Article 603-*bis* of the Criminal Code ("Unlawful intermediation and exploitation of labour") was inserted into the list of offences referred to in Article 25-quinquies.

In the first quarter of 2019, the model has been further updated due to the amendments and additions requested by the law. In particular: application of Legislative Decree 21/2018 including "Provisions for the application of the fundamental principle that an offence or a sanction can be imposed only if established by the law "; application of Legislative Decree 107/2018 on market abuse; application of Anti-Bribery Bill including "Measures to fight crimes against the Public Administration and measures on transparency of political parties and political movements".

Further, the *Special Part "L", Tax Offences* has been added in the first quarter of 2020 in order to include, in the Model, among the crimes under Legislative Decree 231/01, also offences of art. 2, 3, 8, 10, 11 so called "Tax Offences", as per Legislative Decree 74/2000.

During the second quarter of the year 2020, *Part Special "M", Smuggling Offences* has been added with the purpose of acknowledging in the Model, the crimes of artt. 282, 285, 287, 291 D.P.R. 43/1973, among crimes required by D.Lgs. 231/01.

Further, with the implementation by the Government of UE Directive 2017/1371, "with regards to the fight against fraud violating – from a criminal perspective - financial interests of the Union" the following tax offences have been added: Unfaithful statement (art. 4, D.Lgs. 74/2000); Failure to declare (art. 5, D.Lgs. 74/2000); Unjustified compensation (art. 10-*quater*, D.Lgs. 74/2000).

Among the new regulations introduced by D.Lgs. implementing UE directive n. 2017/1371, the following are also listed:

- the introduction in the list of offences that imply a liability pursuant to D. Lgs. 231/2001, the crime of fraud in public supplies (356 c.p.);
- a wider number of offences against the Public Administration also implying companies' liability, by adding the crime abuse of authority (art. 323 c.p.).

Lastly, it should be noted that, in light of the regulatory changes that have occurred since the last approval of the Company's Model 231, a specific risk assessment activity is carried out with reference to the main areas and/or corporate processes potentially affected by the commission of offences (including newly introduced ones), taking into account the principles and procedures/policies adopted by the Company, as well as the information gathered during interviews conducted with the main corporate functions. As a result of this analysis activity, possible points of improvement were identified, as well as suggested recommendations to fill and/or improve the affected business processes.

The Company's Model 231, therefore, has been revised and updated to reflect the regulatory changes that have taken place since January 2021 (the date of approval of the Model) to date, as well as the new and additional control measures adopted by the Company.

In light of the activity carried out by Fendi and its *core business*, it was also deemed appropriate to supplement Special Section 'H' with crimes for the protection of industrial property, and to introduce an additional Special Section dedicated to crimes against the individual (Special Section 'N').

The Company, by availing of the Supervisory Body's galvanising and control functions, identifies and periodically evaluates those activities which are vulnerable to the commission of the criminal/administrative offences envisaged by the Decree (the "Risk Assessment"), by means of regulatory updates, analysis of the Company's business context and also by utilising the experience gained during previous company operations (the "historical analysis").

The results of all this activity are reported in a document containing the "company activity map" which indicates the at-risk areas and also the potential risks associated with those areas, indicating what offences could potentially be committed within the operational areas examined, and also the ways in which those offences could be committed, which are identified for purposes of illustration only.

The activity areas at risk include those activities that may be instrumental to and therefore indirectly linked to the commission of the offences, in addition to being directly linked to the commission of said offences. *Instrumental* activities, more specifically, are those in which the *de facto* conditions that facilitate the possible commission of offences may materialise, in the areas that are directly linked to the commission of the offences specified under the Decree.

In relation to all of the at-risk areas, and to the instrumental areas as well, the Company's indirect dealings are also assessed, i.e. those which it engages in or could potentially engage through third parties. In fact, it should be noted that the risk profiles associated with the Company's activities are assessed also by reference to cases in which corporate officers cooperate with persons/entities outside the Company, on an occasional and temporary basis (known as persons acting in concert) or in an organised way with the purpose of committing an undetermined series of offences (known as offences of association). Furthermore, the analysis also looked at the possibility that the offences considered could be committed abroad, or using transnational means.

The Company has available a set of organisational and procedural safeguards, also in relation to the types of offences not specifically examined in the Special Parts of the Model, whose purpose is to ensure that Company's activities are carried out correctly, and therefore to minimise the risk that these offences, too, could be committed. In this context, reference is made to the principles of the Company's Code of Ethics, and to the specific provisions of the internal regulatory system:

- analysis of the existing system of preventive controls inherent in processes/activities that are subject to offence risk (organisational system; authorisation system; management control system; documentation monitoring and control system; operating procedures), in order to assess their suitability to prevent offence risk (as-is analysis);
- identification of the areas of integration and/or improvement in the control system and definition of the actions to be taken (gap analysis);
- implementation of the principles of conduct and procedural rules of the Model on an ongoing basis, and verification of the functionality and adequacy of the control mechanisms in concrete cases, continuously monitoring effective compliance with the Model.

## **2.3 Features of the Model of Fendi S.r.l.**

The Model consists of the following features:

- an internal regulatory system, aimed at the prevention of criminal offences, comprising (among other things):
  - o the Code of Ethics, which expresses the commitments and ethical responsibilities undertaken by all persons who operate on behalf or in the interest of the Company when carrying out company business;
  - o internal procedural rules (protocols) whose purpose is also to regulate the operating procedures that apply in the at-risk areas.

The internal procedural rules applicable in relation to the at-risk areas envisage:

- o the segregation of functions, within each process, between the person who makes the decision, the person who authorises it, the person who implements it and the person entrusted with monitoring the process (“segregation of functions”);
- o the document traceability of each material step in the process described above;
- o an adequate level of formalisation, dissemination and communication.

The Company defines the responsibilities, procedures and timeframes involved in the process of preparation, approval, updating and dissemination of internal procedural rules.

- a management control system and a control system for financial flows applicable in at-risk activities.

In particular, the Company’s management control system is divided into the various phases of preparation of the annual budget, analysis of the periodic balances and preparation of forecasts.

The system guarantees:

- o the involvement of a plurality of persons consistent with the proper segregation of functions involved in preparing and transmitting information, in order to guarantee that disbursements are in all cases requested, made and monitored by functions that are independent or by persons who are as far as possible separate, and who are not assigned other additional responsibilities that could cause potential conflicts of interest. A double signature is also required for the deployment of available funds for amounts exceeding predetermined thresholds;
- o the preservation of assets, with the associated prohibition on engaging in at-risk financial transactions;
- o the ability to promptly report the existence and occurrence of critical situations by means of an adequate and time-responsive system of information and reporting flows.

- an organisational structure that is consistent with the Company's activities, that can ensure correct conduct, guaranteeing a clear and consistent assignment of responsibilities with a suitable segregation of functions, ensuring that the structure provided for by the organisational system is actually implemented and monitored, by means of:
  - o a system of authorisation based on the following principles:
    - ✓ the definition of roles, responsibilities and controls in the process of granting and revoking powers of attorney;
    - ✓ the monitoring of existing powers of attorney and their updating;
    - ✓ the assignment and revocation of powers of attorney consistently with the positions held in the organisation;
    - ✓ the clear definition of the delegated person's powers and of the limits on the exercise of powers of attorney, consistently with the Company's objectives;

- ✓ the actual need to grant powers of attorney in order to conduct dealings with third parties and, in particular, with the Public Administration.

More specifically, the system provides for the grant and periodic review of:

- ✓ powers of permanent representation, which may be assigned by means of notarised powers of attorney that are registered, in order to facilitate the performance of activities associated with the permanent responsibilities provided for in the Company's organisation. Powers of attorney that grant permanent representation authority may only be conferred by the Board of Directors;
- ✓ powers pertaining to individual transactions, which are assigned using notarised powers of attorney or other forms of delegation, depending on their content, in conformity with the laws defining the forms of representation and depending on the various types of instrument or document to be drawn up and signed;

in order to ensure continuous updates and consistency between the company signatory authorisation and representation system, and the organisational and management responsibilities defined, when:

- ✓ the Company's macro-organisational structure is being reviewed (establishment/alteration of organisational units/functions, etc.);
  - ✓ significant changes of responsibility and of key corporate positions occur;
  - ✓ persons with delegated powers depart from the organisation, or when persons who require delegated powers enter the organisation;
- a **Supervisory Body**, that satisfies the requirements of independence, continuity of action and professionalism, has been tasked with monitoring the operation and observance of the Model and of proposing updates to the Model, after it has been granted powers, resources and access to information for this purpose which are necessary to facilitate its functions;
  - a well-defined and comprehensive **training and information system** has been put in place, whose purpose is to consolidate all Recipients' knowledge of the principles and rules with which the Company must endeavour to ensure compliance in its day-to-day operations;
  - a **disciplinary system** has been adopted, **as provided for by the applicable national collective labour agreements** (CCNL), addressed to the Recipients of the Model, which punishes any infringement of the Model.

## 2.4 Structure of the Document

The Model consists of a “General Part” and of “Special Parts”.

The General Part explains the essential features of the Model, with particular reference to the following: the Supervisory Body, personnel training, the dissemination of the Model inside and outside the Company, the disciplinary system and the measures to be implemented in the event of non-compliance with its provisions.

The Special Parts are devoted to the various types of criminal/administrative offence contemplated by the Decree, which are considered to represent an offence risk for Fendi.



In view of the specific operations of Fendi, it was deemed appropriate to focus attention on what are considered to be the more significant risks of commission of the offences indicated in Articles 24 and 25 (offences against the Public Administration), 25-ter lett. s-bis (corruption and incitement among private individuals), 24-ter (organised crime offences, also having regard to international criminality within the meaning of Law 146/06), 25-ter (corporate offences), 25-I (manslaughter or serious or very serious culpable injuries committed in violation of workplace health and safety rules), 25-octies (receiving stolen goods, money laundering and use of money, goods or assets of illicit origin, and also self-laundering), 25-decies (inducement not to make statements, or to make false statements to the judicial authorities), 25-undecies (environmental offences), Article 25-bis.1 (offences against industry and commerce) and 25-bis (offences for protecting industrial property), 25 quinquiesdecies (tax offences), 25-sexiesdecies (smuggling) and 25-quinquies (offences against individual personality) of the aforementioned legislation. The general control principles described in the General Part and in the Code of Ethics are applicable to these groups of offences, as are the general principles of conduct and preventive control described in each Special Part.

In relation to the criminal offences referred to in Articles 24-bis (computer crimes), 25-bis (offences of counterfeiting of currency, public credit notes, official stamps and identification instruments or marks, with the exception of offences protecting industrial property), 25-quater (criminal offences aimed at terrorism or subversion of the democratic order), 25-quater.1 (offences against the female sexual integrity), 25-duodecies (employment of illegal aliens), 25-terdecies (racism and xenophobia), 25-octies.1 (offences related to non-cash means of payment), 25-quaterdecies (fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices), 25-septiesdecies and 25-duodevicies (offences against cultural heritage), 25-novies (offences related to copyright infringement), 25-sexies (market abuse) and transnational offences, the risk assessment activities carried out have revealed that although there is an actual possibility that these offences could be committed, the possibility is not significant in view of the activities carried out by the Company and also taking into account the checks conducted by the competent corporate functions in relation to these offence types. Therefore, the general control principles described in the General Part are applicable in relation to this type of offence, as are the general principles of conduct described in Special Part I and in the Code of Ethics.

For the remaining groups of offence provided for by the Decree, however, it was considered that although the commission of those offences is possible, it is nevertheless remote in view of the scope of the Company's activities, and therefore, they are subject to the general control principles described in the General Part and in the Code of Ethics.

Accordingly, the Model is structured into the following Special Parts:

- **SPECIAL PART “A”** (“Offences against the Public Administration and the Administration of Justice”);
- **SPECIAL PART “B”** (“Offences in violation of accident prevention and workplace health and safety rules”);
- **SPECIAL PART “C”** (“Environmental offences”);
- **SPECIAL PART “D”** (“Offences of receiving stolen goods, money laundering and use of money, goods or assets of illegal origin, as well as self-laundering”);
- **SPECIAL PART “E”** (“Corporate offences”);
- **SPECIAL PART “F”** (“Bribery among private individuals”);

- **SPECIAL PART “G”** (“Organised crime offences and transnational offences”);
- **SPECIAL PART “H”** (“Offences against industry and commerce and offences for the protection of industrial property”);
- **SPECIAL PART “I”** (“General principles of conduct applicable to the relevant additional groups of offences”)
- **SPECIAL PART “L”** (“Tax Offences”);
- **SPECIAL PART “M”** (“Smuggling Offences”);
- **SPECIAL PART “N”** (Offences against individual personality”).

## **2.5 Amendments and supplements to the Model**

The Company's Board of Directors is responsible for adopting and later amending and supplementing the Model in conformity with the provisions of Article 6.1 a) of the Decree.

The Company therefore:

- draws up and implements the Model by reference to its own at-risk activities;
- updates the Model from time to time, as required.

All those who operate on behalf or in the interest of the Company in activity areas which are subject to offence risk are responsible for implementing the Model in relation to the individual offence categories set forth in the Decree.

Reference should be made to the provisions of subsection 6, in any case, for the updating of the Organisational, Management and Control Model.

## **3. SUPERVISORY BODY**

### **3.1 Composition and requirements of the Supervisory Body**

The Supervisory Body of Fendi S.r.l. is established as a collective body consisting of three members: one external member acting as its Chairperson, and two internal members.

The Supervisory Body's external member is identified from among reliable professionals who have proven competence and experience in dealing with the areas and issues of relevance for the purposes of the Decree, and who have also acquired adequate and proven experience in applying the Decree itself.

The Supervisory Body has, moreover, adopted a special Regulation as a sign of its operational and organisational independence and whose purpose, in particular, is to regulate the functioning of its activities.

The Company's Supervisory Body, in compliance with the Decree and with the *Confindustria* Guidelines, satisfies the requirements of:

- a) autonomy and independence;
- b) professionalism;
- c) continuity of action;

#### Autonomy and independence

The SB is independent from the Board of Directors, which it has remit to supervise and control.

To safeguard the SB's independence, it remains in office for a three-year period and its members may withdraw from the SB at any time by simply notifying the Chairperson of the Board of Directors of this

decision; the Chairperson must remain in office until his/her successor is appointed. As an additional guarantee of its independence, the Supervisory Body notifies the Board of Directors and the Board of Statutory Auditors of its activities, every six months. In any case, the Supervisory Body promptly reports any especially noteworthy or significant event.

The SB's activities are not subject to examination or censure by any company function, body or structure, without prejudice to the governing body's power and obligation to monitor the adequacy of the SB's intervention to ensure that the Model is updated and implemented as required.

If considered necessary in order to implement its functions, the SB may request the Company's Board of Directors to provide it with sufficient financial resources to carry out its operations. To this end, the Board of Directors will make a financial allocation to the SB, based on the latter's recommendations, for costs and expenses that will be incurred in the exercise of its functions, in relation to which the SB will provide adequate accounts on an annual basis.

#### Professionalism

The Supervisory Body's members have special technical and professional competence and expertise which are adequate to the functions assigned, and it may also avail of the technical support of personnel inside or outside the Company.

In order to ensure that the functions and duties assigned are implemented as effectively and efficiently as possible, the Supervisory Body avails of the support of Company structures to carry out its operations, if their occasional contribution can be of assistance in implementing the activities indicated.

For specific issues associated with workplace health and safety protection, the SB utilises all resources put in place to manage the related aspects (Prevention and Protection Service Manager - RSPP, etc.).

#### Continuity of action

The SB operates at the Company, exercising its control powers on an ongoing basis and meeting (also every two months) in order to effectively carry out its mandate.

In order to ensure that sensitive corporate processes are monitored in accordance with the Decree, the SB utilises not only the knowledge of the management offices and functions involved, but also the entire set of corporate procedures and information flows to the Supervisory Board, and it also holds hearings with the Managers of areas that are susceptible to the risk of commission of offences. When verifying the functioning of sensitive processes pursuant to the Decree, the SB may avail of the Internal Control Function.

### **3.2 Causes of ineligibility and of incompatibility and revocation of the mandate of Supervisory Board members**

The following factors constitute grounds of ineligibility of SB members and justification for revoking their mandate for "just cause":

- absence or loss of the prerequisites of professionalism, autonomy, independence and continuity of action;
- relationship by marriage or kinship (up to the fourth grade of kinship) with directors, statutory auditors or managers of the Company;
- existence of direct or indirect financial and/or contractual relationships (remunerated or otherwise) with the Company and/or with its directors, and also in relation to matters which involve the Company. The work relationship between the Company on the one hand and the Internal Control Function Manager and the Chief Financial Officer Europe & Middle East (function manager) is not taken into account for this purpose, nor is the work relationship of the

Supervisory Body as a whole taken into account for the purposes of the mandate granted;

- holding of equity interests in the Company's share capital, directly or indirectly, such as to exercise control in connection with the mandate granted;
- any other situation of actual or potential conflict of interest with the Company, different from those detailed in the above subsections;
- the judicial authorities have issued prevention measures against the SB member, namely disqualification, prohibition, declaration of bankruptcy, permanent or temporary disqualification from public offices or incapacity to hold management or executive roles;
- the existence of criminal proceedings pending, or a criminal conviction or a sentence applying punishment pursuant to Article 444 *et seq.* of the Code of Criminal Procedure, appealable or otherwise, in relation to offences provided for by the Decree or other offences of the same nature;
- the existence of a criminal conviction or a sentence applying punishment pursuant to Article 444 *et seq.* of the Code of Criminal Procedure, in criminal proceedings, or an administrative conviction, appealable or otherwise, issued against the Company in connection with the respective offences provided for by the Decree;
- a serious breach of the SB member's duties as defined in the Model, or serious grounds pointing to improper advantage, which prevent them from carrying out their duties diligently and

effectively or which undermine their independent judgment in the performance of the functions assigned;

- the violation of confidentiality obligations, as specified in the letter of appointment to SB members;
- the failure to attend at least 80% (eighty percent) of the SB's meetings.

The prohibition on competition indicated in Article 2390 of the Italian Civil Code is also applicable to each SB member.

In order to guarantee the SB's continuity of action and to ensure that the legitimate performance of its functions and role cannot be undermined by unjustified removal from office, the mandate granted to one or more SB members may be revoked only by a special Board of Directors resolution, in consultation with the other SB members, and only for "just cause", if and when any of the aforementioned conditions or circumstances should occur.

If all or a majority of the SB members are removed from office, the Board of Directors shall promptly appoint a new SB. Pending the appointment of the new SB, the tasks and duties assigned to it will be performed on a provisional basis by the Board of Statutory Auditors, in accordance with Article 6.4-bis of the Decree.

### **3.3 The Supervisory Body's functions and powers**

The Company's SB is responsible for checking and overseeing the adequacy of the Model, effective compliance with the Model and for ensuring that it is updated as necessary.

More particularly, the SB has the following tasks and duties:

- to ensure that the Model is effectively tailored to the Company's corporate structure and can effectively prevent the offences referred to in the Decree, proposing any updates to the Model where deemed necessary, particularly in light of changes in the Company's organisational structure and operations and/or legislative or regulatory changes;
- to monitor the periodic validity of the Model and associated procedures, taking any action and steps required to ensure its effectiveness, also in consultation with the relevant company functions. This task includes formulating proposals to adapt the Model, to be submitted to the Board of Directors, and subsequently verifying the implementation and functionality of the solutions proposed;
- to assess - based on the approved Business Plan - whether the Model and the associated procedures remain solid and functional over time;
- to carry out checks and controls in Company structures that are deemed vulnerable to offence risk, in accordance with the approved Business Plan or also by means of unscheduled checks and surprise callouts, in order to ascertain whether the activity in question is being conducted in conformity with the Model adopted;
- to ascertain, by means of follow-up activities, that the proposed solutions have been implemented and actually work;
- to assess acts carried out by Company officers with signatory authority, also by a suitable scheduling of interventions;
- to periodically audit - with the support of the other competent functions - the existing system of

delegated powers, recommending changes in cases where the management authority and/or job title in question fails to correspond with the representation powers granted to the internal manager or to the sub-managers;

- to define and supervise, in the context of implementing the Model, the information flow that facilitates the Supervisory Body to receive periodic updates, from company functions concerned, about activities that are deemed vulnerable to offence risk, and also to determine the communications methods by which it shall be notified of any infringements of the Model;
- to monitor the effective application of the Model and to identify any conduct anomalies which may be revealed following the analysis of information flows and from reports received;
- to implement an effective information flow to the competent corporate bodies, in compliance with the Model's provisions, which facilitates the SB in reporting to those bodies on the effectiveness of the Model and on compliance with the Model;
- to promptly notify the Board of Directors of any infringements of the Model's procedural or substantive provisions which could give rise to offences under the Decree;
- to promote an adequate process of personnel training for the competent corporate structures by putting in place suitable initiatives to disseminate awareness and understanding of the Model, with the support of the Human Resources Department;
- to ensure, by suitable monitoring, that the managers of areas vulnerable to offence risk are informed about the specific tasks and duties associated with supervision of the relevant area in order to prevent the commission of offences pursuant to the Decree;
- to periodically check, with the support of the other competent Company structures, the validity of clauses whose purpose is to ensure that Recipients comply with the Model's provisions;
- to notify the competent bodies of any infringements of the Model through the Disciplinary System, in order for sanctions to be imposed.

The SB is vested with the following powers to implement its compliance obligations as listed above:

- to access any relevant company document and/or information to enable it to implement its functions and powers under the Decree;
- to avail of outside consultants of proven professionalism and experience if this proves necessary in order to carry out its tasks and duties, ensuring compliance with the requisite provisions pertaining to the appointment of consultants;
- to verify that managers of the Company structures promptly provide the information and data requested of them;
- to attend direct hearings of Company employees and of the Board of Directors, as necessary;

- to request information from outside consultants, business partners and auditors in the context of activities performed on the Company's behalf.

The SB may decide to delegate one or more specific tasks to its members, in accordance with their respective competences, subject to reporting obligations to the SB. This is without prejudice to the SB's collective responsibility, also in relation to the functions which it has delegated to individual members.

### **3.4 Supervisory Body's reporting obligations to the Board of Directors**

The Company's SB, within the context of the tasks assigned to it, reports to the Board of Directors so that the latter is facilitated in adopting the relevant resolutions and actions required in order to ensure that the Model can be effectively and continuously implemented and adapted on an ongoing basis.

More specifically, the SB reports to the Board of Directors every six months on:

- its global activities carried out during the period, particularly its verification of sensitive processes within the meaning of the Decree;
- any critical issues emerging in terms of conduct or events occurring within the Company or in terms of the Model's efficacy;
- an analysis of any reports received during the year and any actions taken by the SB and by other responsible parties;
- any proposals to revise and update the Model;
- the Business Plan for the following year.

Furthermore, the SB shall provide for *ad hoc* information flows, independently of the periodic information flow provision, if particular circumstances exist which make this desirable or necessary. Therefore, the SB shall promptly report to the Board of Directors:

- any infringement of the Model, deemed grounded, that employees have notified to the SB or which the latter has itself ascertained;
- any organisational or procedural deficiencies that entail a concrete risk that the offences pursuant to the Decree could be committed;
- any non-cooperation by the relevant corporate structures;
- any criminal proceedings brought against persons operating on the Company's behalf, or any proceedings brought against the Company involving offences pursuant to the Decree, which come to its attention in the course of implementing its functions;
- the outcome of assessments made by the SB after the Judicial Authority has commenced investigations involving offences pursuant to the Decree;
- any other information considered useful in facilitating the Board of Directors to adopt urgent decisions or resolutions.

The SB shall also promptly report to the Board of Directors any infringements of the Model committed by the Company's Managers.

The minutes of Supervisory Body meetings are drawn up by the Chairperson together with other members of the SB.

### 3.5 Information flows to the Supervisory Body

Article 6.2 d) of the Decree requires the Model to provide for reporting obligations to the Supervisory Body that has been appointed to oversee the operation of and compliance with the Model.

The obligation to ensure a properly structured information flow was devised as a way of ensuring that the Model's effectiveness could be properly supervised, and to facilitate any retrospective assessment of the causes enabling offences pursuant to the Decree to be committed in the past.

The effectiveness of the supervisory activities is based on a structured system of reporting and information provision from all of the Model's Recipients, in relation to any acts, conduct or events that come to their attention which could involve an infringement of the Model or are, more generally, of potential relevance for the purposes of the Decree.

As provided for by the Confindustria Guidelines and by best practice in the sector, information flows to the Supervisory Body can be distinguished into two types according to the periodicity required for their transmission:

- **ad hoc information flows** (to be immediately transmitted upon the occurrence of certain events or circumstances);
- **so-called periodic information flows** (to be transmitted periodically, at least annually, no later than 31/12 of each year).

Each person in charge of information flows must send clear, exhaustive and complete information to the SB.

The documentation must be sent to the information channel dedicated to the SB: [odv@fendi.com](mailto:odv@fendi.com).

The information flows to the SB and the Functions responsible for them are detailed in the **procedure on information flows to the Supervisory Board**, attached to this General Section and, therefore, an integral part of Model 231.

#### 3.5.1 WHISTLEBLOWING

Italian Legislative Decree no. 24 of 10 March 2023 transposed Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on the protection of persons who report breaches of national laws.

In order to ensure responsible management and in line with the legislative requirements, the Company has adopted a **procedure relating to Whistleblowing reports (Fendi Alert Policy)**, as well as the related supplementary internal whistleblowing management procedure, to which full reference should be made.

These procedures have to be considered an integral part of Model 231.

#### 3.5.4 REPORTS TO THE SUPERVISORY BODY

If the report concerns conduct and/or an event that could lead to a breach of the Model or that, more generally, is potentially relevant for the purposes of Decree 231, the Ethics&Compliance Committee in



charge of handling the report is required to promptly inform the Company's Supervisory Board.  
With reference to this hypothesis, full reference is made to the provisions of the **supplementary procedure for the internal management of reporting** adopted by the Company.

## **4. PERSONNEL TRAINING AND DISSEMINATION OF THE MODEL INSIDE AND OUTSIDE THE COMPANY**

### **4.1 Information and training provision to personnel**

In order to make the Model fully effective, the Company aims to ensure that its personnel are properly informed about the procedures and rules of conduct adopted in the context of implementing the reference principles contained in this document, with differentiated levels of detail corresponding to the various levels at which each employee is involved in the at-risk areas.

The Company is therefore keen to promote in-depth knowledge of the Model, of the internal regulatory system and of related updates amongst all employees, who are therefore obliged to be familiar with their content, to comply with their provisions and to contribute to implementing them.

Each employee is provided with adequate information enabling him/her to learn about the existence and content of the Model. Board of Directors members are required to sign a similar declaration of commitment to respect and to collaborate in applying the reference principles underlying the Model.

Each manager is required to actively collaborate in properly implementing the Model in concrete situations, depending on the particular relationship of trust and level of operational autonomy associated with his/her role.

The procedures, control systems and rules of conduct to be adopted when implementing the reference principles provided for by this document together with the Code of Ethics, are communicated to all personnel in correspondence with the activities actually carried out and with the job duties assigned.

The Company will also organise training initiatives to disseminate and promote understanding of the procedures and rules of conduct adopted when implementing the reference principles referred to in this document. The training content will, furthermore, be specially customised depending on the job title of Recipients, the level of risk associated with the areas where they operate, and on whether or not they represent the Company.

The Legal Department, with the support of the Human Resources Department, manages the provision of personal training on the content of the Decree and on the implementation of the Model, notifying this to the SB.

In this context, therefore, the information and training activities require:

- the Model and the Code of Ethics to be continuously updated on the Company's corporate intranet and website;
- the Code of Ethics to be available to the entire workforce and to be distributed to new recruits as soon as they are appointed, who must sign a declaration stating that they have received it and undertaking to carefully study and comply with its provisions;
- the notification of amendments to the Model or to the Code of Ethics which are necessitated by regulatory and/or organisational changes of relevance for the purposes of the Decree.

The training process is structured according to the following levels:

- management personnel and staff with responsibility for representing the Entity: one-to-one meetings with first level managers, classroom workshops with managers;
- other personnel: information provision for new recruits; refresher classroom course in collaboration with the SB.

Participation in the training sessions and classroom courses is mandatory; the Human Resources Department ensures that all personnel receive the training.

Participation at training sessions on the Decree's provisions is tracked by keeping special attendance logs signed by all attendees, which are emailed directly to the SB.

If the Model or the Code of Ethics is amended in significant ways, or important regulatory changes occur which are pertinent to the Company's activities, refresher training sessions will be held if the SB considers that, by reason of the complexity of the issues involved, it is not sufficient to simply notify recipients of the changes involved.

#### **4.2 Information provision to external collaborators, suppliers and partners**

The content of the Model must also be communicated to third parties who are contractually engaged with the Company or who represent the Company without being subordinate thereto (e.g. consultants, business partners and other independent collaborators).

The Company therefore encourages its business and financial partners, consultants, collaborators of various kinds, customers and suppliers to become aware of and comply with the Model and the Code of Ethics.

For these persons, the relevant information will be provided by an official communication that notifies them of the existence of the Model and of the Code of Ethics.

The Company writes special contractual clauses into contracts with its business and financial counterparts and consultants which authorise contract termination in the event of non-compliance with the ethical principles established by the Code of Ethics.

The Company also reserves the right to request from its business partners a self-certification that they have not received criminal convictions and/or that there are no proceedings pending against them in relation to the offences provided for by Legislative Decree 231/2001.

## **5. DISCIPLINARY SYSTEM AND MEASURES APPLICABLE IN THE EVENT OF NON-COMPLIANCE WITH THE MODEL PROVISIONS**

### **5.1 General Principles**

HR relies on the disciplinary and sanctions system provided for by applicable labour law rules and by national collective labour agreements in force.

The establishment of an adequate system to punish infringements of Model provisions is an essential precondition to ensuring the effective implementation of the Model.

Article 6.2 e) of the Decree states that organisational and management models should “*put in place an effective disciplinary system to punish non-compliance with the measures required by the model*”.

Conduct that infringes the Model is punishable by sanctions for the purposes of the disciplinary system and in compliance with the provisions of national collective labour agreements in force. As the Model also embraces the entire set of regulatory provisions and norms that forms an integral part thereof, the Model is "infringed" also if one or more procedures and the principles of the Code of Ethics have been violated.

Pursuant to Art. 6, paragraph 2-*bis*, of the Decree - most recently amended by Italian Legislative Decree no. 24/2023 - a system of sanctions is also provided for against persons who breach the rules on the protection of whistleblowers. In particular, the legislation provides for the applicability of sanctions against persons who are responsible for the following offences:

- (i) maliciously or negligently unfounded whistleblowing;
- (ii) breach of the confidentiality of the whistleblower;
- (iii) application of retaliation against the whistleblower;
- (iv) obstructing or attempting to obstruct the whistleblowing.

Disciplinary sanctions are imposed (or otherwise) regardless of the existence and/or outcome of any criminal proceedings, insofar as the Model's rules of conduct are adopted by the Company independently of the type of offence represented by infringements of the Model.

Infringements of the Model are detrimental to the relationship of trust with the Entity and, accordingly, they trigger disciplinary sanctions irrespective of whether or not criminal proceedings have been instituted in cases where the conduct in question constitutes a criminal offence.

As for the type of sanctions that may be applied, it should be noticed firstly that in the case of employment relationship, any punishment must comply with the procedures envisaged by Article 7 of the Workers' Statute and/or with special legislative or regulatory or contractual provisions, where applicable, characterised not only by the principle of the direct correlation of infringements, but also by the principle of the direct correlation of sanctions.

The identification and application of sanctions must take into account the principles of proportionality and adequacy with regard to the infringement alleged. The following circumstances are of relevance in this context:

- type of offence alleged;
- actual circumstances in which the offence is committed;
- manner in which the offence is committed;
- seriousness of the infringement, also taking into account the agent's subjective intent;

- possibility of multiple infringements inherent in the same conduct;
- possible complicity of more than one person in the offence;
- possible recidivism of the perpetrator.

Employees are informed about the system of sanctions and rules of conduct by means of notice-posting and publication in an open location accessible to all (company noticeboard and, potentially, the company intranet), in compliance with the provisions of Article 7 of the Workers' Statute.

The disciplinary system is monitored on an ongoing basis by the Human Resources Department, which reports on such activities to the SB.

## **5.2 Measures against Directors and Statutory Auditors**

In the event of infringement of the provisions of the Model by one or more of the Company's Directors and/or Statutory Auditors, the SB notifies this to the Board of Directors and to the Board of Statutory Auditors which, consistently with their respective competences, will take one of the following measures depending on the seriousness of the infringement and in conformity with the powers provided for by law and/or by the Workers' Statute:

- declarations in meeting minutes;
- formal warning;
- removal from office/revocation of the delegated power;
- request to convene a Shareholders' Meeting to discuss, as a special agenda item, the adoption of suitable measures against the infringing parties, including the possibility of instituting legal proceedings to determine the Director's responsibility to the Company, and to recover compensation for the loss incurred.

## **5.3 Sanctions against employees**

### **5.3.1 MANAGERS**

In the event that managers infringe the provisions of the Model and/or Code of Ethics or act inconsistently with the Model's provisions while implementing their duties, they will be subject to appropriate sanctions in conformity with the provisions of labour law rules and of national collective labour agreements applicable to Company Managers.

More particularly, if the infringement of one or more of the Model's provisions is sufficiently detrimental to undermine the relationship of trust, and makes it impossible to continue the employment relationship on a temporary or permanent basis, the manager in question may undergo proceedings for dismissal, with or without notice, based on the gravity of the infringement in question.

### **5.3.2 BLUE-COLLAR WORKERS, WHITE-COLLAR WORKERS AND MIDDLE MANAGERS**

Actions by employees in violation of the Model's individual rules of conduct are defined as "disciplinary offences".

The sanctions applicable are in conformity with the procedure provided for by Article 7 of the Workers' Statute and by national collective labour rules in force.

In relation to the foregoing, the Model makes reference to the disciplinary regime provided for in the national collective labour agreements applicable.

The relevant offence categories describe the conduct that is punishable, identifying the relevant sanctions by reference to their degree of gravity.

More specifically, and in conformity with applicable legislative provisions in the sector and with the provisions of national collective labour agreements applicable to Company employees:

- a worker will receive the sanctions provided for by applicable national collective labour agreements if he/she infringes the Model's internal procedures or engages in conduct inconsistent with the Model provisions, while working in the relevant at-risk areas, and such conduct will also constitute an infringement of the employee's duties if it is characterised by applicable national collective labour agreements as being detrimental to the Company's discipline and morale;
- Furthermore, if a worker, while working in the relevant at-risk areas, commits a significant violation of the Model provisions that is sufficiently detrimental to constitute an offence punishable under the Decree or to trigger the application of measures against the Company which are provided for by the Decree, making it impossible to continue the employment relationship on a temporary or permanent basis, the worker in question may be dismissed with or without notice, based on the gravity of the infringement in question.

#### **5.4 Measures against collaborators, auditors, consultants, partners, counterparties and other external parties**

Any conduct in breach of the acceptable conduct guidelines indicated in the Model and in the Code of Ethics which is enacted during the relevant contract term by collaborators, auditors, consultants, partners, counterparties and other external parties, shall result in unilateral withdrawal from the contract pursuant to the clauses provided for by the Company in each contract, and drawn up by the Legal Department.

Nothing in the foregoing shall undermine the Company's entitlement to seek compensation for loss arising from the infringement of the provisions and rules of conduct envisaged in the Model by the aforementioned third parties.

#### **5.5 Procedure for applying sanctions**

The sanctions procedure triggered when the Model and the Code of Ethics are infringed differs, depending on the category of Recipient and in relation to the separate phases of:

- formal notification of the infringement to the person concerned;
- assessment and subsequent imposition of the sanction.

The procedure always commences after the SB has notified to the corporate bodies periodically delegated for the purpose (and indicated below) that an infringement of the Model has occurred.

More specifically, whenever the SB receives a report or acquires information, during the course of its supervisory and audit activities, which indicates a risk or likelihood that the Model may be infringed, it is obliged to promptly carry out the checks and controls that are within its remit.

When these activities have concluded, the SB gives an assessment of the infringement based on evidence in its possession and informs the Board of Directors thereof.

##### **5.5.1 DISCIPLINARY PROCEEDINGS AGAINST DIRECTORS AND STATUTORY AUDITORS**

If the SB discovers that a Director who is not employed by the Company has infringed the Model, it shall send a report to the Managing Director, to be later forwarded to the Board of Directors and to the Board of Statutory Auditors, which:

- gives a description of the conduct complained of;
- states which of the Model provisions have been infringed;
- gives the personal details of the person responsible for the infringement;
- references any documents attesting to the infringement and/or other elements found;
- recommends an appropriate sanction to be imposed.

As soon as it has received the SB's report, the Board of Directors calls the person indicated by the SB before a Board meeting, to be held within a specific period of time from the date when the report was received.

The notice of call must:

- be in writing;
- specify the conduct alleged and the provisions of the Model that have been infringed;
- notify the person concerned of the date of the meeting, alerting him/her of the entitlement to make oral or written observations and/or submissions. The call notice must be signed by the Chairperson or by at least two Board members.

When the Board meeting is convened (which the SB members are also invited to attend), the party concerned is heard by the directors, submissions are taken from him/her, and additional checks and assessments are carried out as relevant.

Based on the information obtained, the Board of Directors imposes the sanction that it deems appropriate, and must justify any disagreement with the SB's proposal to this end.

The Board of Directors itself will notify in writing its resolution and/or that of the Shareholders' Meeting, as applicable, to the party concerned and also to the SB for its own assessment purposes.

The above procedure is also applicable in the event that the Model is infringed by a member of the Board of Statutory Auditors. In this case the SB will conduct the necessary inquiries.

In all instances in which the Model is infringed by a Director who is linked to the Company by an employment relationship, the following procedure applicable to Managers/Employees will be activated.

If this procedure results in the sanction of dismissal, the Board of Directors will promptly convene the Shareholders' Meeting to pass a resolution to remove the Director in question from office.

### **5.5.2. DISCIPLINARY PROCEEDINGS AGAINST EMPLOYEES**

#### **A) Managers**

The procedure for ascertaining offences by Managers is implemented in compliance with applicable regulatory provisions and with the relevant national collective labour agreements in force.

More particularly, the SB sends the Managing Director a report which:

- gives a description of the conduct complained of;

- states which of the Model provisions have been infringed;
- gives the personal details of the person responsible for the infringement;
- references any documents attesting to the infringement and/or other elements found.

Once the SB's report has been received, the Managing Director calls the Manager concerned and, in the presence of a witness, formally protests the infringement of the Model provisions in writing, giving him/her a deadline to submit justifications in accordance with law and with the provisions of national collective labour agreements in force.

The Manager is entitled to submit his/her justifications also at that stage, and they will be suitably recorded in the presence of a witness. After this, the Managing Director will assess the position of the party concerned and also the issue of implementing the associated sanction procedures.

If the employee against whom the formal complaint procedure has been instituted occupies a senior management position and has been granted delegated powers by the Board of Directors, and if the investigations point to the commission of an offence under the Decree:

- the Board of Directors may decide to revoke the delegated powers granted, depending upon the nature of the assignment;
- the Board of Directors may determine the Manager's position and implement the relevant sanction procedures.

The decision to impose a sanction is notified in writing to the Manager within a specific period of time from the date when his/her justifications are received, in accordance with applicable legal provisions and with the provisions of national collective labour agreements in force. This deadline will take effect from the date when the justifications in question are actually made. This procedure envisages that the Board of Directors will be informed, in all of the above cases, about the results of internal checks and about the sanction applied.

The SB - which is notified of the decision to impose the relevant sanction - is responsible for checking that it is applied. Without prejudice to the manager's entitlement to bring an action before the courts, the latter may - within a specific period of time from the date when the written notice of dismissal is received - lodge an appeal with the Conciliation and Arbitration Board in conformity with the procedures provided for by the national collective labour agreement in force.

#### B) Blue-collar workers, White-collar workers and Middle managers

The procedure for imposing sanctions against Blue-collar workers, White-collar workers and Middle managers must comply with the provisions of Article 7 of the Workers' Statute and with the national collective labour agreements in force.

More particularly, the SB sends the Head of Human Resources a report which:

- gives the personal details of the person responsible for the infringement;
- gives a description of the conduct complained of;
- states which of the Model provisions have been infringed;
- references any documents and elements supporting the formal complaint.



The Company, through the Head of the Human Resources Department, will - as soon as the report is received - institute disciplinary proceedings against the employee in accordance with the procedures envisaged by Article 7 of the Workers' Statute and by the applicable national collective bargaining agreement in force.

After counterclaims are submitted by the person concerned, the Head of the Human Resources Department implements official measures in relation to the application of the sanction, determining its nature and extent in accordance with the applicable collective labour agreements in force.

The sanctions must be applied in accordance with applicable legal provisions and with the provisions of applicable collective labour agreements in force. The official measure taken is also notified to the SB, which is also responsible for verifying that the sanction imposed is properly applied.

The employee may, immediately after receiving the official measure, lodge an appeal with the Conciliation and Arbitration Board, in which case the relevant sanction will be suspended until the Board's ruling is handed down; this procedure shall not compromise the employee's entitlement to institute legal proceedings in the courts.

This procedure envisages that the Board of Directors will be informed about the results of internal checks and about the sanction applied against the employee in question.

#### 5.5.3. DISCIPLINARY PROCEEDINGS AGAINST THIRD-PARTY RECIPIENTS OF THE MODEL

In order to facilitate taking the measures provided for in the contractual clauses mentioned in subsection 5.4, the SB sends a report to the manager of the organisational structure responsible for managing the contract relationship (with copy to the Board of Directors), which:

- gives the personal details of the person responsible for the infringement;
- gives a description of the conduct complained of;
- states which of the Model provisions have been infringed;
- references any documents and elements supporting the formal complaint.

If the contract has been approved by the Board of Directors, the aforementioned report must also be copied for its attention.

The manager of the organisational structure responsible for managing the contract relationship, in agreement with the Legal Department and based upon any decisions taken by the Board of Directors in the meantime, sends the party concerned a written communication describing the conduct that is formally complained of, the provisions of the Model that have been infringed and also the specific contractual clauses which it is intended to rely upon.

## **6. UPDATING AND AMENDING THE MODEL**

Pursuant to Article 6 of the Decree, the Board of Directors, in agreement with the SB, oversees the updating and amendment of the Model.

The Board of Directors entrusts the Human Resources Department and the Legal Department, within their respective remits, with the responsibility to supervise - in liaison with the Supervisory Body and with the other competent corporate structures - the updating of the Model and also the drafting and updating of its Special Parts. The following are examples of the categories of events which may be taken into account for purposes of updating or amending the Model, with a view to ensuring that the Model remains a valid and effective tool over time:

- legislative changes affecting the regime of liability of Entities for administrative offences arising from the commission of a criminal/administrative offence;
- lines of development in the prevailing case law and legal scholarship;
- identification of lacunae in and/or deficiencies and/or significant infringements of the Model provisions, after their ongoing effectiveness is ascertained and checked;
- significant changes in the Company organisational structure or in its activity sectors;
- considerations associated with the application of the Model, including the results of the updated “historical analysis”.