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MONNALISA



Code of Ethics



Approved by the Board of Directors on 20/12/17

INDEX

| | |
|--|----|
| 1. Preamble | 3 |
| 2. Vision, Mission and Values..... | 3 |
| 3. General principles | 4 |
| 4. Scope of application and Recipients..... | 5 |
| 5. The certifications, awards and projects of Monnalisa S.p.A. | 5 |
| 5.1. Monnalisa S.p.A. Corporate Social Responsibility and Quality Policies | 6 |
| 5.2. Monnalisa S.p.A. Environmental Policy..... | 8 |
| 6. Relations with the <i>stakeholders</i> | 11 |
| 6.1 Rules of conduct towards suppliers..... | 11 |
| 6.2 Rules of conduct towards consumers and the customer | 12 |
| 6.3 Rules of conduct in managing human resources | 12 |
| 6.4 Rules of conduct in relating with the public administration | 13 |
| 6.5 Rules of conduct in managing business in general..... | 13 |
| 6.6. Relations with the media..... | 14 |
| 6.6. Relations with the shareholders and financiers..... | 14 |
| 6.7. Relations with the community..... | 15 |
| 6.8. Intragroup relations and with related parties..... | 15 |
| 7. Gifts, and acts of courtesy and other benefits | 16 |
| 8. Protection of minors..... | 16 |
| 9. Protection of intellectual and industrial property | 16 |
| 10. Confidential information and protection of privacy | 17 |
| 11. Reports to the Supervisory Body | 17 |
| 12. Disciplinary Proceedings | 18 |
| 13. Sanctions | 18 |

1. Preamble

Monnalisa SpA (hereinafter referred to as “Monnalisa” or the “Company”), a children’s clothing company with registered offices in Arezzo, was founded in 1968 by Piero Iacomoni and Barbara Bertocci, respectively Chairman of the Board of Directors and Creative Manager. The Company - also thanks to the efforts and enthusiasm of all the collaborators - is placed in the high end market.

The Monnalisa philosophy is based on a unique combination of entrepreneurial activity, innovation, search of new markets, original styling and special attention to the development of company resources and competencies.

2. Vision, Mission and Values

Monnalisa is an “organized” group of people (owners, managers, employees, workers and sister companies) who, together with the shareholders, the suppliers and outside contractors, the customers and consumers, the community within which Monnalisa lives and operates, the authorities with which the company has relationships and the environment within which it acts, undertakes a mission formulated as follows:

Create value and values over time

- with a quality product, both fashionable and with a strong identity for the customers and the consumers
- with a flexible, reliable and personalized service
- with a dynamic and challenging work environment for the collaborators
- with a profitable and continuous relationship with the suppliers
- with a company organization that is sustainable for the territory

... with the aim of attaining the following vision:

- excel in innovation, creativity and practicality ...

to conquer new markets

- stimulate a widespread managerial ability in-house...

to successfully face the challenges for the small and medium sized family enterprise

- expand into the world on a production and commercial level, while always keeping in mind the company values and our identity ...

to spread a culture of social responsibility.

Monnalisa’s values are:

- CREATIVITY and INNOVATION
- COMMITMENT and TRANSPARENCY
- CARE and DEDICATION

These values and principles, built up over a 40-year history, today find their natural summary in the *Code of Ethics*, in which the company clearly reinforces the values and the responsibilities which have always distinguished the corporate culture of the company.

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3. General principles

Here below are indicated the principles and values deemed to be fundamental, and to which the various *stakeholders* involved must refer, to favour the proper operation, reliability and reputation of the Company.

Legality

The Company, in the execution of its activities, acts in compliance with the legislation and of all the regulations in force in the territories in which it operates, as well as of the Code of Ethics and the Company procedures, while applying them with integrity and fairness.

Confidentiality

The Company guarantees the confidentiality of the information and the processed personal data as well as the protection of the information acquired with reference to the activity offered.

Transparency

The Company undertakes to inform, in a clear and transparent manner, all the *stakeholders* for what concerns its policies and strategies without favouring any interest group or individual.

Fairness

The Company undertakes to guarantee its fairness, i.e. the recognition to each one of the investment made in the relationship with Monnalisa and the transparency in the decisions.

Competition Protection

The Company operates on the domestic and international markets, selling fashion garments and clothing for boys and girls and loyally competes in the market respecting the EU and domestic principles and laws, set for the protection of competition.

Respect

The Company commits to endorse respect for the cultural and physical integrity of the person and respect for the relationship dimension with others. It guarantees work conditions that respect the dignity of the individual and a safe work environment, it protects and promotes the value of the human resources, the abilities and competencies, the diversity and the work and life balance.

Honesty and Fairness

The relationship with the Company stakeholders is based on criteria of fairness, collaboration, honesty and mutual respect.

Quality and Distinctiveness

The Company undertakes to be aware of the changing needs of the market and to constantly improve the quality of its products.

Traceability allows us to reconstruct the history of the product, while keeping trace of its production process, from the place where it first begins to the final completion and, at the same time, it allows a higher level of awareness regarding both product quality and distinctiveness when it is purchased.

Protection of the environment

The Company contributes constructively to the ecologic sustainability of all its activities. The commitment to protect the environment is followed through by programming the activities in order to reach a balance between the economic initiatives and the unavoidable environmental requirements, in conformity with the domestic and international directives on the matter.

Responsibility towards the community

The Company operates by keeping in mind the needs of the community in which it carries out its activities and by contributing to the promotion of the quality of life and to the economic, social, cultural and civil development.

4. Sphere of Application and Recipients

The set of the ethical principles, the values and the rules of behaviour enunciated in the preceding paragraphs of this Code must inspire the activity of all those who operate, inside and outside the sphere of action of the Company and the Group.

With reference to Monnalisa S.p.a., along with what is written in the previous paragraphs, the following rules of conduct are also applicable.

The Code of Ethics is an integral part of the organization and control Method chosen by the Company, and represents the base on which the preventive control system is founded pursuant to L. Dec. 231/01

In particular, for example:

- the members of the board are inspired by the principles of the Code when defining the Company objectives;
- the members of the audit body ensure compliance to and observance of the contents of the Code in the course of their duties;
- the people in charge apply the values and principles contained in the Code, by taking up the responsibility both internally and externally and by reinforcing the trust, the cohesion and team spirit;
- the employees, in compliance with the law and regulations in force, adjust their actions and behaviour to the principles, the objectives and the commitments contemplated by the Code;
- all those who operate in the name and on behalf of the Company must conform their behaviour to the Code.

All the Recipients are required to respect, and as far as their competence is concerned, to make others respect the principles contained in the Code: in no case, the claim to act in the interest of the Company can justify the adoption of behaviour that is in contrast with those specified here.

The Company undertakes to guarantee a prompt internal and external dissemination of the Code by means of:

- distributing it to all the members of the company management bodies and to all the employees;
- making it available to the Recipients on the Web site.

5. The certifications, awards and projects of Monnalisa S.p.A.

A long list of certifications and awards ensures, today as in the past, the quality and reliability of the work and production carried out by Monnalisa:

- *ISO 9001 – Quality system*
- *SA8000 - Social Accountability*
- *ISO 14001 – Environmental management system*

Attaining the certifications of the Quality system ISO 9001, of the Corporate Social Responsibility SA8000 and of the environmental management system ISO 14001 requires tenacity, resources and capacity of questioning work procedures, a commitment that only a

few clothing companies have been capable of facing till now. The Company has attained the certifications, the proof of the will to improve, so as to offer every day a service/product that is more efficient, adapted to the needs of our present and future customers.

Furthermore, Monnalisa, has been issuing its Sustainability report since 2001 and the Sustainability report integrated with the Financial statements since 2005; its 2006 edition won the prize "Oscar di Bilancio - categoria PMI" (T.note: Financial statements Oscar – S.M.E. category). After the success in 2006, Monnalisa has also won the Oscar di Bilancio - Medie e Piccole Imprese 2011 (the prize for 2011).

5.1. Quality System and Corporate Social Responsibility Policies of Monnalisa S.p.A.

What inspires Monnalisa's activities is to maintain, and if possible improve, the quality standards of the products manufactured and offered in the market, therefore guaranteeing the certainty, from the point of view of the various stakeholders, of finding a reliable, dynamic and incisive partner in the Company. For this purpose, the adoption of an integrated management system allows a systematic and planned regulation of the processes carried out inside the Company or commissioned outside (contracted abroad).

Monnalisa's policy takes every stakeholder into consideration:

-Policy for the consumer: to build a long-term relationship of trust based on a high quality product with a high image impact, thanks to the constant commitment to: stylistic research, control of materials, optimization of manufacturing processes, the control and support of the outside contractors and research and development of new proposals.

-Policy for the customer: to consolidate over time a partnership that is profitable and satisfactory for both parties, by guaranteeing a product with a good sell out and attention to service based on the confidentiality and exclusivity of the human relationship.

-Policy for the shareholders: to protect the investment in the Company with the greatest transparency of information while, at the same time, working to constantly create value for the shareholder.

-Policy for employees and collaborators: committing to obtain good performances while guaranteeing perpetuity to the Company and work for all the employees and collaborators; guaranteeing compliance with labour laws; contributing, in synergy with the employees, to the achievement of a positive, open, dynamic and transparent work environment. Increasing curiosity, experimentation and development of young talents and great masters.

-Policy for the suppliers, outside contractors, agents, importers: to guarantee the compliance with the agreements by promoting a work logic based on partnerships.

-Policy for the banks and credit institutions: to protect the relationship of trust that has been built over time, by giving the bank system prompt and very transparent information.

-Policy for the community: to take part in the social and cultural growth of the territory, by favouring the support for local actions and projects; to contribute in strengthening the

ties with educational systems (schools and universities) by promoting internships, work experience and research inside the Company.

Furthermore, Monnalisa intends to be the leader in the Italian Market and abroad with the awareness that:

- . It is fundamental to know the needs and requirements of our customers through careful direct communication with them
- . It is essential to be always updated and in the forefront of developments in the fashion sector
- . It is important to maintain a strong identity while proposing innovation
- . The success of our customers is our success.

For this purpose and to do all this we must:

-set up the Management System through the prompt identification and evaluation of the risks that allows the organization to define the factors that could generate deviations in the processes and to enact preventive controls so as to minimize the negative effects and make the most of the opportunities offered by the market.

-convey into our Company culture, the principle of ongoing improvement, by applying it day by day on a personal and group level.

-be convinced that our first and irreplaceable resource is in the people, with their competencies and experience, with the experience of the older ones and the enthusiasm of the younger, with their creativity and their desire to be a team. It is essential that those who work with us be proud of what they do and why they do it.

-remember that we have the potential to close the gaps that the market presents and to be the point of reference for our customers.

-consider our Suppliers as partners, rather than simple sub-contractors and materials suppliers, to share with them our needs and expectations and those of our Customers since we carry the latter into our extended team.

The aims that Monnalisa S.p.A. intends to define are:

1) the satisfaction of the express and implicit requests of the interested parties and of the customers, through the offer of an innovative, high quality product, a good price-quality ratio and manufactured with care for what concerns the issues of the corporate social responsibility.

2) the continuous improvement of its processes through measurements made by applying company performance indicators, on the analysis of the results attained and by means of the careful management of resources (human, infrastructural and informational).

Monnalisa S.p.A. undertakes to conform to the principles contained in the ISO 9001: 2015 Standards and the requisites contemplated in the SA8000:2014 Standards (child labour, forced labour, workplace health and safety, freedom of association and right to collective contract negotiation, discrimination, disciplinary procedures, work hours, payment criteria). Monnalisa undertakes to comply with the applicable national laws and the other laws in force as well as the other requirements undersigned by the company, the International Rules of reference listed in the SA8000 Standards and their interpretation.

The Board of Directors undertakes to ensure that this Policy is understood, shared, implemented and carried out by all its own employees and collaborators and, at the same time, undertakes to share it with all the stakeholders.

Monnalisa's management, operates at all levels with unity of intent and common aims, while undertaking to create the conditions needed for the attainment of the aims defined in the Integrated Management System by employees and collaborators.

The Integrated Management System is set on the recognition, enhancement and protection of all personnel falling under its sphere of control and influence, with the aim of reaching, through continuous improvement, a sustainable conformity with the SA 8000 Standard, through the joint participation of the workers and the Management.

5.2. Environmental Policy of Monnalisa S.p.A

Monnalisa SpA, aware of the importance of the protection and safety of the environment, undertakes to follow a policy of ongoing improvement of its environmental performance, by minimizing, where technically possible and economically sustainable, all negative impact on the environment.

From this point of view, Monnalisa SpA proposes to enact and maintain an efficient Environmental Management System that is in conformity with the voluntary international norms of UNI EN ISO 14001:2015. The aim of adopting the EMS is to define and implement strategies and action plans for the optimization of company processes in consideration of the environmental matrix and the safeguarding of natural and energy resources.

In particular, the following are the aims that Monnalisa sets itself, starting from the Management:

- reducing the environmental impact, by controlling and limiting to a minimum, the emissions into the atmosphere and the ground, through the use of adequate technology;
- improving the environmental efficiency by aiming at reducing energy consumption, using substances/products with non-polluting characteristics, preserving the natural and cultural identity of the territory;
- preventing pollution and the use of resources, for the aim of attaining the maximum "eco efficiency".

Therefore, Monnalisa SpA undertakes to:

- Ensure that their activities are carried out in conformity with the laws in force and the eventual codes of practice that have been signed;
- Ensure that the products/services and the activities do not compromise the health of the workers, the consumers and of the population;
- Reduce or prevent the environmental impact generated by the company activities by favouring the logic of re-use, recycling of materials and, the correct disposal of waste;
- Preventively evaluate and minimize the environmental impacts related to new products, technologies, processes and activities.
- Minimize the consumption of energy, water and the production of waste, by favouring their recovery wherever possible;
- Define environmental aims and targets, to be integrated with the operative management of the factories and the company development programs;
- Run training and sensitization programs for all personnel, so that each employee understands his/her environmental responsibilities and keeps them in mind in the execution of their work.
- Encourage the suppliers to adopt an EMS or at least to sensitize them on environmental themes aiming at continuous improvement.
- Ensure that the environmental policy indicated here, along with the related management system, are understood, carried out and maintained at all levels of the organization and that the system is supported by periodic and systematic teaching and training activities.
- Optimize the resources involved, by adopting the best available techniques and by promoting the use of renewable sources with the aim of reducing the environmental impact in terms of reduced emission of gasses harmful for the environment and health.

The management undertakes to ensure that this Policy is understood, shared, implemented and carried out by all its employees and collaborators and, at the same time, undertakes to share it with all the stakeholders. In detail, we wish to:

- Sensitize all on the undertakings of the Policy and, in particular, the environmental aspects, and to involve on the aims and targets, the company workers, the suppliers, the customers and citizens. Motivate the workers so that at all levels, the sense of responsibility towards the environment, one's own health and safety and that of colleagues is developed.
- Educate, with special attention to the new generations, on behaviour that respects the environment and is attentive to the correct use of natural resources.
- Promote dialogue and discussions with all stakeholders (public authorities, citizens, associations, etc.) while keeping in mind their interests and activating the appropriate

instruments for their participation and to communicate clearly the performance of the company activities.

To do this in an efficient manner, the risks and opportunities connected with environmental aspects, the obligations to conform and other factors and requirements and expectations of the interested parties are identified, evaluated and managed. In this manner, the environmental performance is kept under control and those possible aspects or risks that may become tangible to the point of influencing the company results, especially those on the environment are avoided.

The Policy is documented in digital format and is available on the Web site (www.monnalisa.eu) so that it is accessible and can be consulted by all external and internal stakeholders. The policy is monitored, activated and implemented; it is distributed and made accessible with all the personnel with training/information activities.

6. Relations with the stakeholders

The term stakeholder indicates the subjects who are directly or indirectly involved in the company activities which have some interest in relation to decisions, strategic initiatives and the possible actions carried out by it.

Among the stakeholders are therefore comprised, merely as an example, the external and internal collaborators, the shareholders/financers, the suppliers, the customers and consumers, the agents, the community, the public administration and, in general, whoever may be interested in the Company activities, both on a national and international level.

The Company, as an independent body, is also considered as a further stakeholder, since it is also the recipient of the wealth produced by its distinctive activities. The added value that is capitalized in the Company will allow it to last over time, first proof of social responsibility.

6.1 *Rules of conduct towards the suppliers*

The Company undertakes to look for an appropriate professional capacity and the full sharing of the principles and contents of the Code in the external suppliers and collaborators and it promotes fostering lasting relationships for the progressive improvement of performances in the protection and promotion of the principles and contents of the Code.

The professionalism and commitment of the Company characterize the selection and definition of the actions to be developed, from the methods with which to set up the projects as well as the selection of the external suppliers and collaborators (within this category there are: outside contractors, suppliers of raw materials, fabrics, accessories and finished products, the company service suppliers, the external consultants) identified from time to time for the definition of a subsidiary relationship with their specific professionalism, by organizing forms of collaboration and mutual exchange and by delegating to them the execution of part of its activities.

The professional and commercial contributions must be based on a rigorous professional commitment and must, at all times, be aligned to the level of professionalism and responsibility which characterize the Company, with the attention and precision that are required to continue the respect and diffusion of the prestige and reputation of the same.

Corrupt practices, illegitimate favours, collusive behaviour, solicitation of advantages, concession of material and immaterial benefits as well as other advantages aimed at influencing or compensating representatives of institutions as well as the members of the company organs/employees of the Company are banned and prosecuted.

The suppliers, the consultants, the outside contractors, the agents, the distributors, are chosen in accordance with procedures that respect the laws that are from time to time applicable and are constantly based on criteria of transparency, competitiveness and efficiency.

To this aim, the managers and employees responsible for the Company functions who participate in said processes are required to:

- acknowledge to the participants who possess the necessary requisites, equal opportunity in participating in the selection;

- verify, even through appropriate documentation, that they have the means, also financial, organizational structures, experience and technical capacity, quality systems and adequate resources to meet the needs and image of the Company.
- Verify the compliance with the regulations in matters of labour, including what concerns child labour and the health and safety of workers.
- Verify the non-involvement, whether they are physical or juridical personalities, in terrorist activities.

All those who operate in the name and/or the account of the Company:

- must subscribe to all the contractual documentation that is given by the Company, which includes the obligation to respect the Code and the rules of behaviour that the Company has set and communicated and which also foresee specific sanctions for their eventual violation;
- are called to join in the aim of being attentive to the needs of the territory, of the local community and customers which characterizes the Company activities.

The execution of the activities by those who operate in the name and/or the account of the Company, whether they are called to carry out their activities autonomously, must respect the procedures aimed at guaranteeing the safety and health in the workplaces.

All suppliers are required to adapt to and respect the requirements set by SA8000 and to what is contemplated in the Monnalisa Code of Conduct, which constitutes an attachment to this Code of Ethics.

6.2 *Rules of conduct towards the consumer and the customer*

The Company conforms its behaviour in the relationships with consumers and customers to the principles of transparency, reliability, responsibility and quality.

The addressees therefore are required to:

- respect the laws and regulations governing the execution of their activities;
- meticulously respect the dispositions of this Code of Ethics and the internal procedures concerning customer relationship management;
- supply to the customer all information regarding the contractual terms and conditions, so that the customer is fully aware when perfecting the agreement, and on any changes in economic conditions as well as on the results of possible checks required by the customer;
- implement a behaviour based on availability, respect and courtesy, in line with the Monnalisa standards, characterized by the highest professionalism.

6.3 *Rules of conduct in managing human resources*

The Company recognizes the central role of the human resources in the attainment of the company mission. Consequently, it adopts procedures and methods of selection, training and work based on the respect of human values, on the independence and responsibility of the workers as well as on the importance of the individual and organized participation in the Company aims and values.

It is the imperative interest of the Company to favour the development of the potential of each employee or collaborator, by promoting an environment, procedures and work organization that are constantly aimed at:

- the respect, even at the time of selection of personnel, of the personality and dignity of each individual, and the avoidance in every moment of uncomfortable situations, hostility or intimidation;
- the prevention of all kinds of discrimination and abuse;
- the valorisation of innovative and entrepreneurial spirit, while respecting the limits and responsibilities of everyone;
- the definition of the roles, responsibilities, authority and availability of appropriate information so that each member of the organization can make the decisions that are relevant to their position, in the interest of the Company;
- the prudent, fair and objective application of the powers assigned them on behalf of the managers

6.4 Rules of conduct in relating with the public administration

The relationships with the public administration are characterized by the greatest transparency and propriety.

In particular, we keep the necessary relationships, respecting the roles and functions assigned in accordance with the law, as well as a fully collaborative spirit with the State bodies, in Italy or in other countries.

The relationships with officers of public institutions are limited to the duly delegated and authorized company functions, with respect to the most rigorous observance of the regulations and dispositions of the law and they cannot in any way compromise the integrity and reputation of the Company.

To this end, it is prohibited to offer directly or through an intermediary, sums of money or other means of payment to public officials or representatives of any public service, in order to influence their activity in the execution of their duties.

Said prescriptions cannot be circumvented by using different forms of contribution which, under the guise of sponsorships, assignments and consultancies, advertising, gifts, freebies, etc., may have the same aims as those prohibited above.

In the relationships with the Judicial Authority it is prohibited to exercise pressure of any kind, on the person called to make declarations before the Judicial Authorities, with the aim of inducing them not make the declaration or to make false declarations.

6.5 Rules of conduct in the managing of business in general

Every operation and transaction carried out or set up must be to the advantage of the Company or in its interest, it must be inspired by the greatest propriety from the point of view of the management, competence and transparency of the information, the legitimacy - from a formal and substantial point of view - and the clarity and veracity in the accounting records, in accordance with the regulations in force and the adopted procedures. Furthermore, it must be subjected to verifications.

All situations of conflict of interest between personal or family financial activities and company roles exercised must be avoided.

As an example, but not limited to this, the following situations can constitute conflict of interest:

- having economic and financial interest, even through family members, with suppliers and competitors;
- exploiting one's role and position to favour interests that are in contrast with those of the Company;
- concluding, perfecting or starting personal negotiations and/or contracts – in the name of and/or the account the Company – which have as counterpart, one's own family members or partners, or legal entities of which they are owners or in which they are in any way interested;
- to personally take advantage of confidential information and business opportunities of which they have learned in the course of the execution of their duties inside the Company.

In any case it is necessary:

- to avoid situations and all activities in which a conflict may arise with Company interests or which may interfere with the capability of making impartial decisions, in the best interest of the Company and in the full respect of the principles and contents of the Code;
- in general, to exactly carry out the duties and responsibilities assigned.

6.6. Relations with the media

The relationships between the Company and the mass media in general, are exclusively reserved to the company functions and responsibilities assigned to this and they must be carried out in the fully complying with the communication policy defined by the Company.

The Company recipients therefore cannot give information to representatives of the mass media without the authorization of the competent officers.

In any case, the information and the communications concerning the Company and intended to go externally must be accurate, truthful, complete, transparent and consistent.

6.6 Relations with shareholders and financiers

The Company guarantees its shareholders the transparency of its actions and the right to be informed on the cases contemplated by the regulations in force, as well as on all situations that are deemed of interest.

For this aim, it prepares the appropriate information flows, from the operational roles towards the administrative body and from the latter towards the shareholders, to guarantee a constant update and completeness of information.

Accounting records and consequent preparation of financial reports

Every operation or transaction must be properly and promptly entered into the company accounting system according to the criteria set by the law and on the basis of the applicable accounting principles; every operation or transaction must be authorized, verifiable, legitimate, coherent and consistent.

In order that the accounts correspond to the requisites of truth, completeness and transparency of the registered data, an adequate and complete supporting documentation of the activities must be kept in the Company deeds so as to allow:

- the accurate accounting registration of each operation,
- the immediate definition of the characteristics and the motivations on which it is based,
- the ease of the formal and chronologic reconstruction of the operation,
- the verification of the decisional, autorizational and executorial process, as well as the identification of the various levels of responsibility and control.

Each accounting registration must reflect exactly what appears in the supporting documentation. Therefore, it is the duty of each responsible Subject to see that the support documentation is easily available and filed according to logical criteria and in conformity with the company provisions and procedures.

Nobody can carry out any kind of payment in the interest of the Company, in the absence of adequate support documentation and a specific authorization.

Whoever learns of omissions, falsifications or negligence in the accounting registrations or in the support documentations, is obliged to promptly communicate this to their supervisor.

It is explicitly prohibited to spread any information, which one may learn in the execution of their duties, to offices or colleagues who are not pertinent or are outside the Company.

Internal controls

By internal controls we intend all the necessary or useful instruments to address, verify and carry out the activity of the Company, with the aim of assuring compliancy with the law and company procedures, protect the company assets, efficiently manage the company activities and clearly furnish truthful and correct information on the balance of assets, the economic and financial situation of the Company, as well as to identify and prevent the risks that the Company may incur.

It is the duty of the Company to disseminate, at all levels, an internal culture characterized by the awareness of the existence of the controls and aimed at exercising them.

6.7. Relations with the community

The relationship with the territory is based on the recognition of the role that Monnalisa has taken up as an enterprise which pursues business aims while keeping in mind the impact on the territory in which it operates. Monnalisa intends to shape itself as a sustainable Company which contributes to the economic and social development of the territory it belongs to.

6.8. Intragroup relations and with related parties

All intragroup relationships are managed while fully respecting the regulations in force and the current market conditions as well as with respect to the principles indicated in this Code of Ethics.

The relationships between the companies of the Group and the information from each company that is aimed at drawing up the consolidated Financial Report follow the criteria of transparency, accuracy, effectiveness and traceability of the underlying economic relationships and the relative financial flows.

7. Gifts and acts of courtesy and other benefits

No form of gift is allowed towards representatives of the public administration or public officers or towards private entities, which may reasonably be interpreted as exceeding the normal commercial practices or those of courtesy or, in any way aimed at acquiring a favourable treatment in the running of any activity connected to the Company.

In particular:

- a. Any form of gift to third parties, that exceed the conventional gifts of modest value is prohibited. We specify that with the term gift we intend any kind of benefit (promise of a job offer both subordinate or in the form of a consultancy, offer of services, pleasure trips, etc.);
- b. gifts received which do not fall within the normal customs, must be documented adequately and communicated to the Supervisory Body.

In any case said expenses must always be authorized in accordance with specific company procedures and adequately documented.

In the same way, the people who carry responsibilities, the employees and all those who act in the name of and/or on behalf of the Company cannot receive gifts or favourable treatment, if not within the limits of normal courteous relationships and as long as they have a modest value.

Said rule, concerning both the gifts promised or offered, and those received, is applicable also in those countries where the offer of high value gifts is common practice.

8. Protection of minors

Monnalisa recognizes the commitment in favour of the education and growth of infants and youths, in compliance with art. 31 of the Constitution as well as the UNO Convention of 1989; any use of minors in fashion shows and/or photographs or films, above all in the case of posting on the Internet or the Social Network can be carried out only with the prior authorization of the holders of the parental responsibilities.

The Company, directly and/or through third parties, prepares the conditions so that minors can be involved only with the prohibition of arbitrary or illegal interference in their privacy and, in any case, protected from any form of damage and exploitation.

It is absolutely forbidden to acquire, disseminate and/or cede child pornography materials and/or to carry out acts of prostitution damaging to minors

9. Protection of intellectual and industrial property

The Recipients act in the full respect of industrial and intellectual property rights that are legally owned by third parties, as well as in conformity with the prescriptions of the law, regulations and conventions set up to protect said rights.

For this purpose, all the Recipients must abstain:

- from all behaviour that may constitute an encroachment of titles of industrial property, alteration or counterfeiting of the distinguishing signs of industrial products or of patents, industrial designs or models, both national and foreign, as well as to import, commercialize and use in any way or to put into circulation, industrial products

- bearing counterfeited or altered distinguishing signs or, manufactured through the encroachment of titles of industrial property;
- from using in an illegal and/or improper way, in the interest of the company or of third parties, works of genius or parts of them, which are protected by the regulations in matters of violation of copyright.

10. Confidential information and protection of privacy

The Company activities constantly require the acquisition, the conservation, the manipulation, the communication and the diffusion of data, documents, information concerning negotiations, operations and contracts.

The Company databanks may also contain personal data that is protected by the laws governing the protection of privacy, data that cannot be rendered public outside and, finally, data the diffusion of which may damage the same Company.

Each Recipient is therefore obliged to protect the confidentiality of the information acquired linked to the execution of their work functions.

All information, knowledge and data acquired or elaborated by the Recipients through their duties cannot be used, communicated or divulged.

Each Recipient must:

- Acquire and manipulate only the data that is necessary or directly connected to their functions;
- conserve said data so as to block unrelated third parties from getting hold of it;
- communicate and divulge the data within the procedures defined by the Company or with the prior authorization of the person delegated to do so;
- define the confidential and reserved nature of the information on the basis of what is set by the procedures defined by the Company.

The Company undertakes to protect the information and data related to its Recipients and to third parties, and to avoid any improper use of the same.

11. Reports to the Supervisory Body

The control of the compliance with the Code of Ethics is assigned to the Supervisory Body nominated in accordance with L. Dec. 231/01.

For what concerns the Code of Ethics, the Supervisory Body has the following duties:

- Verify the compliance with the Code of Ethics, with the aim of avoiding the danger of the performance of the crimes contemplated by L. Dec. 231/01;
- formulate its comments concerning ethical issues, which may rise in company decisions, and the presumed violations of the Code of Ethics linked to them;
- operatively sustain the interpretation and the implementation of the Code of Ethics, as the instrument of constant reference for correct behaviour to be held during the execution of one's own actions;
- follow and coordinate the periodic revision of the Code of Ethics, even through its own proposals of adjustment and/or updating;
- prepare and approve the Ethics communication and training plan;
- notify the competent company organs of any violations of the Code of Ethics, while suggesting the penalties to be assigned and by verifying the actual application of any penalties given;
- guarantee a constant flow of information with the Ethics Committee.

All the Recipients can notify, in writing, even in an anonymously, any violation or suspected violation of the Code of Ethics to the Supervisory Body, which will carry out an analysis of the notification, eventually by listening to the author and the person responsible of the supposed violation.

The Supervisory Body acts in a way that guarantees the people who notify against any kind of retaliation, intended as a deed that can provoke even the suspect of a discrimination or penalization. The confidentiality of the identity of the person notifying is also ensured, excepting what is mandated by the law.

In order to allow the punctual respect of the provisions of the present paragraph, the following e-mail address is created organismodivigilanza@monnalisa.eu

The notifications can be communicated and also transmitted to the address of the Supervisory Body - Via Madame Curie 7- Arezzo

12. Disciplinary proceedings

It is the duty of the Supervisory Body to verify and ascertain any violations of the present Code.

The Supervisory Body transmits the results of its investigations to the Board of Directors, through the Managing Director.

13. Penalties

The Company, on the basis of the seriousness of the illegal behaviour carried out by the person accused, will adopt the appropriate actions, while keeping in mind that the hypothesis of the violation of the dispositions of the present Code, as well as the violation of the obligations deriving from the Plan for the prevention of corruption will give rise also to penal, administrative or accounting responsibilities.

In particular, any violation of the present Code, committed by employees, will cause the adoption of disciplinary actions, proportionate to the severity or continuation of the violation or the degree of the offence, in accordance with the “Codice disciplinare aziendale” (Companies disciplinary code) in force, prepared in accordance with art. 7 of Law 20th May 1097, n. 300 and the provisions contained in the applicable National Labour Contract.

For what concerns the Directors, in the event of violation of the rules contained in the Code, the Supervisory Body informs the Board of Directors and the Board of Auditors, so that they may proceed without delay and in conformity with the powers contemplated by the law and/or the By Laws, to convene the Shareholders’ meeting to commence the appropriate actions against the people responsible for the violation.

With reference to the Auditors and the components of the Supervisory Body, the violations of the rules of the present code may cause the revocation of the mandate for just cause, to be proposed respectively to the Shareholders’ meeting and the Board of Directors.

For what concerns the collaborators/suppliers/consultants, the violation of the dispositions of the present Code is punished with the annulment of the existing contracts with them, without prejudice to Monnalisa’s right to demand compensation for the damages caused by said behaviour.