

CANALI

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CODE OF ETHICS

APPROVED BY ORDINARY SHAREHOLDERS' MEETING OF APRIL 28, 2020

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INTRODUCTION

Leading company in the production of luxury tailored garments and supporter of typically Italian male elegance, since 1934 Canali S.p.A. has been promoting the artisan tradition and Made in Italy, focusing its attention on the quality of fabrics, attention to detail, as well as on the constant innovation and creativity of its sartorial tradition.

The Company recognizes the dignity of the person and the respect for people and rules as primary values through a behaviour based on honesty, integrity, loyalty, correctness and mutual trust.

Strongly convinced that ethics represents an essential and indispensable element of its business, the Company considers appropriate to adopt and to disseminate this Code of Conduct (“Code of Ethics”), with which the corporate bodies, management, employees and all those who contribute in any way to the activities of the Company (“Recipients”) are required to comply within the limits of their competences, functions and responsibilities. The set of principles of this Code must inspire all those who work for the Company and in no case will behavior in violation of the same be justified, even if adopted to act in the interest of the company .

The Code of Ethics is not an immutable document. The Company takes care of updating it as a result of changes in the organization, the context in which it operates, and current legislation.

To all the staff of Canali S.p.A. knowledge and respect of the contents of the Code of Ethics are required. This forms an integral part of the contractual obligations of the staff according to Article 2104 of the Civil Code and obligations of directors according to art. 2392 c.c.

The staff must observe the rules of the Code of Ethics and to immediately report any violations of the principles laid down therein to their superiors and/or to the Supervisory Body, according to art. 27 of this Code of Ethics, appointed according to Legislative Decree 231/01.

The adoption of internal procedures is a manifestation of the Company's commitment to the prevention of conduct sanctioned by Legislative Decree 8 June 2001 n. 231 (administrative liability of legal persons dependent on a crime).

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DEFINITIONS

“Canali” or “Company”

Canali S.p.A., which has adopted this Code of Ethics

“Code of Ethics” or “Code”

Code of Ethics approved by ordinary shareholders’ meeting of Canali S.p.A.

“Decree 231” or “Decree”

Legislative Decree n. 231 8 June 2001

“Delegation”

The internal act of assigning functions and duties within the corporate organization.

“Recipients”

All the subjects to which the Model is addressed and, in particular: all corporate bodies, employees, including managers, workers posted to the Company, as well as all those who, involved in the identified sensitive activities and processes, work for the achievement of the aims and objectives of the Company.

“Model 231” or “Model”

The organization, management and control model envisaged by the decree.

“OdV”

Supervisory Body provided for in the Decree.

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VALUES

Canali recognizes and places the following primary values at the base of its Code of Ethics:

- protection of the dignity of the person and his moral integrity through the prevention and repression of all forms of discrimination based on sex, age, sexual preferences, race, nationality, socio-economic conditions, philosophical or religious beliefs, political opinions or affiliations trade unions, as well as through the protection and respect of the rights and duties inherent to the contractual charges of personnel, with particular attention to remuneration and working hours, in strict compliance with applicable laws;
- professional rigor, commitment and protection of health and safety in the workplace, as well as a ban on the use of child labor if not in strict compliance with the terms and conditions established by law;
- protection of the environment and the ecosystem through sustainable business decisions, based on a conscious balance between economic initiative and environmental requirements;
- compliance with the laws and regulations in force in all the countries in which the Company operates, to guarantee the quality of its garments as well as the maintenance of high standards of accuracy throughout the production process: from the search for raw materials to the management of creation, production, up to the final marketing phase of its products.

ETHICAL PRINCIPLES OF THE TOP MANAGEMENT AND SUPERVISORY BODIES

The Sole Director and the Board of Statutory Auditors of Canali as well as the Administrative Bodies, Supervisory bodies and the management of the Company are required to observe this Code and act always with honesty, correctness, loyalty and integrity.

Each of them must have a model behaviour, demonstrating dedication to work, loyalty and Competence.

For this purpose, they are required to avoid situations of conflict of interest, such as, by way of example:

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

In any case, no change occurs to the obligation of the subjects above specified, in any situation potentially capable of generating a conflict of interest or, however, of compromising the ability to take decisions in the best interest of the Company, to give timely notice to the OdV, refraining at the same time from carrying out acts related to such a situation.

PROTECTION OF THE HUMAN FACTOR

Canali believes that the “human factor” is the key resource for the success of the Company, in this sense, the Company undertakes to put in place functional working conditions to protect employees’ physical or mental integrity and respect their personality. No discrimination in the selection, hiring, training, management, development and remuneration of personnel is allowed.

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

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

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

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

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

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

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

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

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

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

The Company promotes a climate that encourages free expression and spurs its employees to express themselves without being conditioned and in compliance with the applicable laws on this matter, if someone or something does not follow the principles listed so far.

In addition the employees of the Company, in their relationships with other colleagues and hierarchical superiors, employees must behave respectfully, considering hierarchies, Company's provisions and eventual colleagues' difficulties of health, age and family problems.

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

HEALTH AND SAFETY AT THE WORKPLACES

Canali constantly promotes the consolidation of a culture of safety and health of workers, soliciting individual responsible behaviours.

Each employee is required to observe all the safety and health measures established by internal procedures and applicable laws on the matter (in particular, the provisions set forth in Italian

Legislative Decree 81/08), in order to ensure its own safety but also that of its employees, colleagues and third parties.

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

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

RELATIONS WITH THIRD PARTIES

The carrying-out of any operation or activity of the Company must be based on the compliance with the principles of legality, integrity, loyalty, transparency, collaboration and social responsibility. The Director, collaborators and employees are required to act in full compliance with the regulations and laws in force, as well as with the Code of Ethics and internal company provisions. No gifts or favours exceeding standard business or courtesy practices or common business practices are allowed either directly or through third parties.

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

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

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

The ethical principles pursued by the Company in the context of the counterparties with which it has relations are reported below:

1. Relations with suppliers

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

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

2. Contrast of the illegal hiring

Suppliers' selection and the formulation of the conditions for the purchase of goods and services for the Company is inspired by respect for the values of competition, objectivity, fairness, impartiality, fairness in price, quality of products and/or services, respect for ethical principles for the protection of health and safety and respect for the environment.

Any commercial relationship with a supplier must always be based on extremely clear relationship, avoiding, where possible, the assumption of contractual obligations that involve forms of dependence on the contracting supplier.

Furthermore, to guarantee respect for the person as well as condemn any form of exploitation, the Company, in choosing its suppliers, is inspired by criteria that guarantee workers the respect for fundamental rights, the principles of equal treatment and non-discrimination, as well as the protection of child labor and safety in the workplace.

To guarantee compliance with these requirements, the Company reserves the right to carry out checks with suppliers to guarantee the professionalism and good reputation necessary for the continuation of collaboration relationships.

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Suppliers are expressly prohibited from carrying out actions, directly or through third parties, in contrast with the contents of this Code of Ethics.

3. Relations with competitors

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

The Company recognises the value of competition and undertakes not to put in place inappropriate behaviours towards competitors. Therefore, all employees and collaborators are required to strictly comply with relevant applicable laws. The production and marketing of the products of Canali is respectful of the regulations in force protecting trademark and patent rights, industrial models and designs and distinguishing marks in general.

4. Relations with the Public Administration

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

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

5. Relations with customers

The Company wishes to pursue the satisfaction of its customers, both in terms of product quality and service excellence. The Company pays attention to customer requests and takes into consideration any suggestion or complaint.

PROTECTION OF THE ENVIRONMENT AND THE ECOSYSTEM

Respect for the environment and the ecosystem is a primary value for the Company; therefore, business decisions and employment must comply with the principles of balance between business initiatives and environmental requirements, in full compliance with applicable laws on environmental and ecosystem matters.

The Company also undertakes to adopt sustainable business choices that have an insignificant impact on the environment; this action is carried out through investments relating to energy efficiency, the quality of the resources used, the low environmental impact of production and the reduction of waste.

FINAL PROVISIONS

1. The Supervisory Body “OdV”

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

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

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

2. Crimes or irregularities reports in the context of the employment relationship (so called “Whistleblowing”)

Pursuant to Italian Law 179/2017 on Whistleblowing, employees and collaborators of the Company are required to report to the OdV any violation or suspected violation of the Code of Ethics and Legislative Decree 231/2001 Model, of which this Code is an annex.

Any violations of the provisions of this Code of Ethics must be reported to the OdV via the following "reporting" channels:

- o mail to: Organismo di Vigilanza di Canali S.p.A.
Via Lombardia, 17, 20845 Sovico (MB)
- o e-mail to: odv@canali.it

The OdV carries out immediately the inspections and investigations required involving all the subjects and bodies even only potentially concerned. The OdV makes sure that the employees and collaborators who reported the fact being investigated do not suffer adverse consequences for their reporting; in particular, any form of discrimination or retaliation - such as the imposition of a disciplinary sanction, the transfer or dismissal - adopted against the whistleblower is void.

However, the Company in its disciplinary system provides for sanctions against those who carry out fraudulent or grossly negligent reports that prove to be unfounded.

These reports will be processed in compliance with the applicable data protection laws.

3. Violations of the Code

Since the observance of the principles and rules of this Code is an essential and integral part of the contractual obligations of the employees, of third collaborators and of the Sole Administrator of the Company, the violation of the provisions mentioned above is a default of the obligations deriving from the employment relationship or collaboration, or a disciplinary offence, with all legal or contractual consequences, also with regard to the termination of the contract or of the appointment and to compensation for damages, if any. In the case of ascertained infringement of one or more provisions of this Code, the Company undertakes to inflict the disciplinary measures according to consistency, impartiality, uniformity and in proportion to the alleged infringement, in compliance with the limits laid down by local regulations and by the collective bargaining of reference, if existing. With reference to self-employed workers and third parties, the breach of the provisions and principles of this Code may also involve the termination of the agreement pursuant to Article 1453 of the Italian Civil Code, as well as any compensation for damages.

April, 28 2020