



VERSACE

GIANNI VERSACE S.R.L.

ORGANISATIONAL MODEL

ACCORDING TO LEGISLATIVE DECREE 231/2001

-UNDERREVIEW-

<u>LIST OF REVIEWS</u>		
N.	Content	Approval date from the BoD
0	Elaboration of the original version of the Organisational Model (below, “the Model”)	25/10/2007
1	Additions to the Model with the special sections “3” e “4”	22/09/2008
2	Updates: Preamble Section – approved	19/05/2009
3	Addition to the Model with the special sections “2”, “3”, “7” e “8”, and modification of the numbering sections “2”, “3” e “4” in in “4”, “5” e “6”	28/03/2011
4	Additions to the Model with the special sections “2”, “6”, “7” e “12” (due to the modification from point no. “2” on) and modification in response of the separation of the Corporate branch merged in GiVi Holding SpA	17/12/2012
5	Complete review of the General Section of the Model, with the extension and the updating of the content in compliance with the new guidelines of Confindustria of July 2014, to the jurisprudential clarification and reorganisation of the paragraph of the Model and separation of the General Section from the Special Section in two different documents. Integration of the Model with: - inclusion in the Special Section F (corporate offences) of the offence “Corruption between private parties”; - insertion of the Special Section “M” (Employment of third-country nationals without a residence permit); - insertion of the Special Section “N” (Crimes against the individual); - insertion of the Special Section “O” (Market Abuse); - insertion of the Special Section “P” (Racism and Xenophobia); - elimination of the Special Section “Crimes for the purposes of terrorism and subversion of the democratic order” which cannot provide an advantage or an interest for the Company.	18/12/2019
6	Addition to the Model with: - Special Section “Q” (Tax Offences); - Special Section “R” (Contraband Offences).	13/04/2021
7	Integration of the Model with references to the regulatory updates on public administration crimes, receiving and laundering, money laundering, and non- cash payment instruments; computer crimes, market abuse, and offences against cultural heritage. Integration of the Model with: - Special Section “S” (Offences relating to non-cash payment instruments)	07/08/2023

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GENERAL SECTION

I. PREAMBLE

This document represents the Organisational Model (below, “the Model”) according to Legislative Decree no. 231/2001 and subsequent additions (below, “the Decree”) adopted in the current version by the Board of Directors of Gianni Versace S.r.l. (below, “the Company” / “Gianni Versace”) with resolution-dated 18/12/2019.

Choosing this Model, Gianni Versace has meant to configure and introduce a structured and organic system of principles and organisational and control procedures, in order to avoid the commission of Offences sanctioned by the Decree (below, the “Offences”) – according to the legality corporate culture mentioned by the Decree Report – respecting its own corporate governance, intended as a governance system designed to direct an optimal organisational management. Gianni Versace’s *governance* is composed by an internal framework and a System of controls built in order to achieve the best results possible by pursuing the corporate purpose, according to the laws and respecting the principles and standards established in the Prada Group Code of Ethics (below, “Code of Ethics”).

The Model has the following purposes:

- diffusion of a corporate culture inspired by fairness, transparency and legality: the Company condemns every single behavior that is against the law or internal framework and, particularly, to standards contained in the present Model and in its protocols;
- diffusion of a control culture;
- an efficient and balanced organisation of the Company, particularly regarding the process to make decisions and to them transparency, the prevision of controls, both prior and subsequent and to the way information are managed, both internal and external;
- implement suitable measures in order to remove promptly possible risky situations that could cause commission of Offences;
- a proper information to the Addressees (as following definition) for those activities that lead to the risk of carrying out Offences.

2. DEFINITIONS

- i. “Model”: the present Organisational Model according to Legislative Decree no. 231/2001;
- ii. “Legislative Decree no. 231/2001” or also called as “Decree”: the Legislative Decree no. 231 dated 8th June 2001 and subsequent additions;
- iii. “Persons in a top position”: persons who hold positions of representation, administration or management of the entity or its autonomous organisational unit which have own financial and functional autonomy, or the entity which carry out the management and control of the Company;

- iv. “Subordinate subjects”: all those who are subject to the management and supervision of persons in a top position;
- v. “Sensitive activities”: the activities that can involve in the risk of commission of Offences;
- vi. “Corporate boards”: the members of the Board of Directors and the members of the Board of Auditors of Gianni Versace S.r.l.;
- vii. “Supervisory body” or also known as “SB”: body who has the task of constantly monitoring the compliance with the Model and the relative updates according to article 6, letter b) of the Decree;
- viii. “P.A.”: the Public Administration, included the officers and the subjects in charge of providing public services;
- ix. “Partner”: contractual counterparts of Gianni Versace S.r.l., i.e. suppliers, agents, licensees, clients, commercial partners, both individuals or legal entities, with which, Gianni Versace S.r.l., reaches any kind of contractual collaborations regulated by law, where the addressees are meant to cooperate with the Company in the sensitive activities area;
- x. “Predicate Offences for the Decree” or also known as “Offences”: the specific offences subject to the provisions of the Legislative Decree no. 231/2001 and subsequent additions;
- xi. “Control protocols”: protocols directed to program the way how the entity’s decisions are made and their implementation in order to prevent the offences;
- xii. “Procedures”: organisational rule that describes roles, responsibilities and the operational modes of how create a corporate process or a sequence of activities.

3. STRUCTURE OF MODEL

This document consists of a General Section and a Special Section.

The General Section deals with the description of the regulations contained in the Legislative Decree 231/2001, the indication – in the relevant sections for the purposes of the Decree – of the regulation specifically applicable to the Company, the description of the offences relevant to Gianni Versace S.r.l., the indication of the recipients of the Model, the operating principles of the Supervisory Body, the definition of a disciplinary system dedicated to the monitoring of violations of the Model, the indication of the obligations to communicate and to train personnel planned by the Model.

The Special Section is composed by an introductive section and from specific “Offences Categories” that regard different kinds of Offences abstractly applicable to Gianni Versace S.r.l. where are reported (i) the description of the offence’s circumstances, (ii) the sensitive activities and (iii) the existing control measures for the prevention or mitigation of offences.

The Offences Categories are the followings:

- Annex A – Offences in relationship with the Public Administration (these kinds of offences are mentioned in the articles 24 e 25 of the Decree no. 231/2001);

- Annex B – IT Offences and Illegal Use of Data, introduced by the Law no. 48/2008 (offences mentioned by article no. 24-bis of the Decree no. 231/2001);
- Annex C – Organised Crime Offences and Transnational Crimes introduced by the Law no. 94/2009 (offences mentioned by the article no. 24-ter of the Decree no. 231/2001);
- Annex D – Offences of Forgery of Money, Public Credit Cards, Revenue stamps and instruments or Signs of Recognition (offences mentioned by article no. 25-bis of the Decree no. 231/2001);
- Annex E – Crimes against Industry and Trade (offences mentioned by the article no. 25-bis 1 of the Decree no. 231/2001);
- Annex F – Corporate Offences (offences mentioned by the article no. 25-ter of the Decree no. 231/2001);
- Annex G – Crimes of Manslaughter and Serious or Very Serious Injuries Committed in Violation of the Accident Prevention Regulations (offences mentioned by the article no. 25-septies of the Decree no. 231/2001);
- Annex H – Offences of Receiving Stolen Goods, Money Laundering and Use of Money, Goods or Benefits of Illicit Origin as Well as Self-Laundering (offences mentioned by the article no. 25-octies of the Decree no. 231/2001);
- Annex I – Offences Relating to the Violation of Copyright (offences mentioned by the article no. 25-novies of the Decree no. 231/2001);
- Annex J – Inducement not to Make Statements or to Make False Statements to the Judicial Authorities (offences mentioned by the article no. 25-decies of the Decree no. 231/2001);
- Annex L – Environment Offences, introduced by the Legislative Decree no. 121/2011 (offences mentioned by the article no. 25-undecies of the Decree no. 231/2001);
- Annex M – Employment of Third-Country Nationals Without a Residence Permit, introduced by the Legislative Decree no. 109/2012 (offences mentioned by the article no. 25-duodecies of the Decree no. 231/2001);
- Annex N – Crimes Against the Individual, introduced by the Law no. 228/2003 (offences mentioned by the article no. 25-quinquies of the Decree no. 231/2001);
- Annex O – Offences relating the market abuse, introduced by the Law no. 62/2005 (offences mentioned by article no. 25-sexies of the Decree no. 231/2001);
- Annex P – Offences relating to Racism and Xenophobia, introduced by the Law no. 167/2017 (offences mentioned by article no. 25-tredecies of the Decree no. 231/2001).
- Special Part Q - Tax Offences introduced by Law 157/2019 (Article 25-*quinqüesdecies*);
- Special Part R - Contraband Offences, introduced by Legislative Decree 75/2020 (Article 25-*sexiesdecies*);
- Special Part S- Offences relating non-cash payment instruments introduced by the D.lgs.n. 75/2020 (art. 25-*octies*.I).

Are also integral section of the Model:

- the Code of Ethics;
- the *Risk Self Assessment* aimed for identifying sensitive activities;
- the *Policies*, procedures and behavior standards currently applicable.

These acts and documents can be found, according to the methods provided for their divulgation, within the Company.

4. ADDRESSEES

The “Addressees” of the Model are:

- those who perform administration, management or control Functions in the Company or in one of its autonomous organisational units;
- all the employees and, particularly, those who execute sensitive activities marked as risky. The rules established by the Model must be respected from all the workers that are related to the Company by a relationship of employment – managers, directors, office workers and workers;
- all those persons who collaborate with the Company on the basis of a semi-subordinate employment relationship, such as project workers, temporary workers, agents (not exhaustive examples and below, the “Third Addressees”).

The Model represents the internal regulation of the Company, which is applicable to all those that work for the company, independently from the organisational level they have. The forbidden behaviors which result sanctioned by the Decree and the respect of the measures contained in the Code of Ethics have to be respected also by those persons who have relationships with the Company, such as suppliers, advisors, and business partners by agreeing to specific contract terms. In particular, the respect of the measures contained in the Model represents an essential section of the contractual obligations that employees have, according to the article no. 2104 and subsequent of the Italian Civil Code. Furtherly, the Addressees have the following obligations:

- a) to abstain from behaviors against the rules established in the Model and laws applicable;
- b) to address to their immediate superiors (SB) for the necessary clarifications about the Model or the applicable laws;
- c) to refer to the SB each violation of the Model, even the potential ones, with the methods described in paragraph no. 12.5;
- d) to cooperate with the SB and the Internal Manager as indicated in the Special Section of the Model and to cooperate in case of surveys by the Company, the SB or the Authorities in order to find out alleged breaches related to the Model or to the Code of Ethics.

Gianni Versace S.r.l. dedicates the necessary attention in order to the correct and efficient implementation of the Model, guaranteeing its diffusion and verifying the knowledge of all the relevant persons, which have to work with.

The Company, besides, carries out constantly updating activities as well as verifying measures in order to check the knowledge of the subordinate subjects and persons in a top position.

5. REGULATORY FRAMEWORK: THE LEGISLATIVE DECREE 8TH OF JUNE 2001 No. 231 AND ITS EVOLUTION

5.1. The administrative liability system for crime under the Legislative Decree 8th of June 2001 no. 231

The Legislative Decree no. 231 of 8 June 2001 which title is “*Regulatory framework of the administrative liability of legal entities, Companies and associations without legal status, according to the article no. 11 of the Law no. 300 of 29 September 2000*”, has introduced for the first time within the national legal system the administrative liability for those who are not single individuals (below, “Entities/Institutions”).

A very important law print was established with the introduction of the proxy law no. 300 of 29 September 2000, which operates, besides, by approving the Convention on the financial protection of the European Communities of 26 of July 1995, the European Convention of 26 May 1997 related to the corruption fighting and the OCSE Convention of 17 September 1997 also related to the corruption fighting with a focus on foreign public officers within international business transactions and conforming itself to those international law tools planned for providing liabilities paradigms for legal entities and a related system of penalties able to hit corporate crimes.

The Legislative Decree no. 231/2001 operates in a framework of international obligations and – aligning itself with many legal systems of other countries – establishes the liability for entities, considered “*as an independent center of interests and legal relationships, a landmark for different precepts, and a matrix of decisions and activities of those subjects that operate in the name, on behalf or in any case in the interest of the entity*” (concept provided by the “Grosso Commission” within the relation made about the Italian Criminal Code reform).

The introduction of the administrative liability for the entities is due to a consideration made by analyzing those misconducts where the decisions about the applicable behavior are not taken by the single individuals but mostly are taken from the persons in a top position.

Other reasons for the introduction of the administrative liability related to the corporate structure regard the possibility that some offences could be facilitated by it or, in other cases, the corporate structure can lead to serious consequences right through an unfair use of it.

5.2. The nature of the liability

The explanatory report of the Legislative Decree no. 231/2001, referring to the administrative liability, emphasize “*the born of a tertium genus (a third category) that conjugates the essential standards of the penal and administrative system, in order to align the reasons for the preventive efficacy with those of the maximum guarantee*”.

Indeed, the Decree has introduced into our legal system a form of liability of the “administrative” kind – according with the article no. 27, 1st subparagraph of the Constitution of the Italian Republic (“*The penal liability is personal*”).

The type of liability here introduced can be considered as a penal-administrative liability. Even though has been defined as “administrative” by the Legislator and even predicting administrative penalties, it has the typical features of the penal liability since attains to the commission of a Crime, it is ascertained through a penal process and it is sanctioned only through the proper guarantees of the penal process.

5.3. Predicate offences of the Decree and subsequent additions

The Company can only be held liable for a limited number of offences (known as “predicate offences”) which are strictly indicated by the Legislator.

At the date when the Model has been implemented the Offences predicted by the Decree belong to the following categories:

- (a) Offences in relationship with the Public Administration (referred to article no. 24 and no. 25 of the Decree);
- (b) IT offences and illegal use of Data (referred to article no. 24-*bis* of the Decree, introduced by article no. 7 of Law no. 48 of 18 March 2008 entitled “*Ratification and Execution of the Convention by the European Council on the IT offences that took place in Budapest on the 23rd of November 2001, and compliance regulations for the internal legal system*”);
- (c) Organized crime offences (referred to article no. 24-*ter* of the Decree, introduced by article no. 2, subparagraph 29, of Law no. 94 of 15 July 2009 entitled “*Regulations on public safety*”);
- (d) Offences against public faith (forgery of money, public credit cards and revenue stamps, and instruments or signs of recognition) (referred to article no. 25-*bis* of the Decree, introduced by article no. 6 of the Law Decree no. 350 of 25 September 2001, converted in law no. 409 of 23 September 2001, entitled “*Urgent Regulations in sight of the Euro introduction (...)*”, as modified by the Law no. 99 of 23 July 2009);
- (e) Crimes against industry and trade (referred to article no. 25-*bis.1* of the Decree, introduced by the article no. 15, subparagraph 7, letter b), of the Law no. 99 of 23 July 2009, entitled “*Regulations for the development and the internalization of companies, including energy measures*”);
- (f) Corporate offences (referred to article 25-*ter* of the Decree, introduced by article no. 3, subparagraph 2 of the Legislative Decree no. 61 of 11 April 2002, entitled “*Framework of penal and administrative illegal conducts regarding commercial companies, according to article no. 11 of Law no. 366 of 3 October 2001, as modified by the Law no. 262 of 28 December 2005, Law no. 190 of 6 November 2012 and lastly, by the Law no. 69 of 27 May 2015*”);

- (g) Crimes for the purposes of terrorism and subversion of the democratic order (referred to article no. 25-*quater* of the Decree, introduced by the article no. 3 of the Law no. 7 of 14 January 2003, entitled “*Ratification and Execution of the International Convention on the repression of financing terrorism phenomes, that took place in New York on the 9 December 1999, and compliance regulations for the internal legal system*”);
- (h) Crimes of mutilating female genital organs (referred to article 25-*quater.1* of the Decree, introduced by article no. 8 of the Law no. 7 of 9 January 2006, entitled “*Regulations regarding the prevention and prohibition of crimes of mutilating female genital organs*”);
- (i) Crimes against the individual (referred to art. 25-*quinquies* of the Decree, introduced by the article no. 5 of the Law no. 228 of 11 August 2003, entitled “*Measures against trafficking in persons*”, as modified by the Law no. 38 of 6 February 2006, by the Legislative Decree no. 39 of 4 March 2014 and lastly, by the Law no. 199 of 29 October 2016);
- (j) Market abuse offences (referred to article no. 25-*sexies* of the Decree, introduced by article no. 9 of the Law no. 62 of 18 April 2005, “*Regulations for the fulfillments of obligations consequent the belonging of Italy to the European Communities. European Law 2004*”);
- (k) Crimes relating to health and safety in the workplace (manslaughter and serious negligent personal injury) (referred to article no. 25-*septies* of the Decree, introduced by the article no. 9 of the Law no. 123 of 3 August 2007, entitled “*Measures on health protection and occupational safety and proxy to the Government for accomplishing the reform of health and safety framework*” as modified by article no. 300 of Legislative Decree no. 81 of 9 April 2008, entitled “*Implementation of article no. 1 of the Law no. 123 of 3 August 2007 regarding health and safety in the workplace*”);
- (l) Offences of receiving stolen goods, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering (referred to article no. 25-*octies* of the Decree, introduced by the article no. 63, subparagraph 3 of the Legislative Decree no. 231 of 21 November 2007, entitled “Execution of the Directive no. 2005/60/CE regarding the prevention of using the financial system for money laundering and financing terrorism, and by the Directive no. 2006/70/CE which indicates how those measures have to be implemented”, as modified by the Law no. 186 of 15 December 2014)¹;
- (m) Offences relating non-cash payment instruments (referred to article no. 25-*octies* 1 of the Decree, introduced Legislative Decree 184/2021, on "Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/GAI;

¹ The article no. 64 of the Legislative Decree no. 231 of 21st November 2007 has abrogated the subparagraphs no. 5 and no. 6 of the article no. 10 of Law no. 146 of 16 March 2006, which had introduced within the Transnationals Offences the offence of money laundering (article no. 648-bis of the Italian Criminal Code) and the use of money, goods or benefits of illegal origin.

- (n) Offences relating to the violation of copyright (referred to article no. 25-*novies* of the Decree, introduced by article no. 15, subparagraph 7, letter c) of Law no. 99 of 23rd July 2009, entitled “*Regulations for the development and the internalization of companies, including energy measures*”);
- (o) Crimes of inducing people not to make statements or to make false statements to the judicial authorities (referred to article no. 25-*decies* of the Decree, introduced by article no. 4, subparagraph 1, of Law no. 116 of 3 August 2009, entitled “*Ratification and execution of the ONU Convention against corruption, implemented by the Ordinary Assembly of ONU on the 31st October 2003 with settlement no. 58/4, signed by the Italian State on the 9th December 2003, and compliance regulations for the national legal system and additions to the Italian Criminal Code and Italian code of penal procedures*”, as subsequently replaced by article no. 2 of the Legislative Decree no. 121 of 7th July 2011);
- (p) Environmental offences (referred to article no. 25-*undecies* of the Decree, introduced by the article no. 2, subparagraph 2, of the Legislative Decree no. 121 of 7 July 2011 entitled “*Implementation of Directive no. 2008/99/CE on the environmental protection and of the Directive no. 2009/123/CE which modifies the Directive no. 2005/35/CE regarding the pollution provoked by ships and the introduction of penalties for violations*”, as modified by the Law no. 68 of 22 May 2015);
- (q) Employment of third-country nationals without a residence permit (referred to article no. 25-*duodecies* of the Decree, introduced by the article no. 2, subparagraph 1, of the Legislative Decree no. 109 of 16 July 2002 entitled “*Implementation of the Directive no. 2009/52/CE which introduces minimum law standards regarding penalties and measures for the employers which use citizens of foreign countries without a residence permit*”);
- (r) Racism and xenophobia (referred to article no. 25-*terdecies* of the Decree, introduced by the Law no. 167 of 20 November 2017);
- (s) Transnational crimes (referred to article no. 10 of the Law no. 146 of 16 March 2006, entitled “*Ratification and execution of the United Nations Convention and Protocols against transnational crimes, adopted by the General Assembly on 15th of November 2000 and May 31st 2001, as amended by Legislative Decree no. 231 of 21 November 2007*”);
- (t) Crimes related to fraud in sports competitions, abusive gambling or betting and gambling performed by using prohibited (referred to article no. 25-*quaterdecies* of the Decree, introduced by the Law no. 39 of 3 March 2019, entitled “*Ratification and execution of the European Council Convention on the manipulation of sports competitions, made in Magglingen the 18th of September 2014*”);
- (u) Tax Offences (Article 25-*quinqüesdecies* of the Decree introduced by Law 157/2019 as subsequently amended by Legislative Decree 75/2020);
- (v) Contraband Offences (Article 25-*sexiesdecies* of the Decree introduced by Legislative Decree 75/2020);

- (w) Offences against the cultural heritage (Articles 25-septiesdecies and 25-duodevices of the Decree, introduced by Law No.9/2022 containing "Provisions on crimes against the cultural heritage").

Through the analysis performed (as described in the paragraph no. 6.3 of the present Model), it has been established that the following predicated offences are not applicable to Gianni Versace S.r.l.:

- (a) Crimes for the purposes of terrorism and subversion of the democratic order (referred to article no. 25-*quater* of the Decree, introduced by the article no. 3 of the Law no. 7 of 14 January 2003, entitled "*Ratification and Execution of the International Convention on the repression of financing terrorism phenomes, that took place in New York on the 9 December 1999, and compliance regulations for the internal legal system*");
- (b) Crimes of mutilating female genital organs (referred to article 25-*quater.1* of the Decree, introduced by article no. 8 of the Law no. 7 of 9 January 2006, entitled "*Regulations regarding the prevention and prohibition of crimes of mutilating female genital organs*");
- (c) Crimes related to fraud in sports competitions, abusive gambling or betting and gambling performed by using prohibited (referred to article no. 25-*quaterdecies* of the Decree, introduced by the Law no. 39 of 3 March 2019, entitled "*Ratification and execution of the European Council Convention on the manipulation of sports competitions, made in Magglingen the 18th of September 2014*")
- (c) Offences against the cultural heritage (Articles 25-septiesdecies and 25-duodevices of the Decree, introduced by Law No.9/2022 containing "Provisions on crimes against the cultural heritage").

Considering Gianni Versace's activity, as resulted from the analysis performed for the implementation of the Model (referred to paragraph 6.4 below), the Offences applicable to Gianni Versace are the following with indication of the relevant cases for each category of Offence:

- (a) Offences in relationship with the Public Administration (article no. 24 and no. 25 of the Decree), if committed against the State or other public entity:
 - misappropriation of public funds (referred by article no. 316-*bis* Criminal Code);
 - improper perception of public funds (referred by article no. 316-*ter*; Criminal Code);
 - corruption for performing a specific function (referred by article no. 318 and no. 321, Criminal Code);
 - corruption for a practice against the office duties (referred by article no. 319 and no. 321, Criminal Code);
 - corruption in judicial acts (article no. 319-*ter* and no. 321, Criminal Code);
 - improper induction in giving or promising benefits (article no. 319-*quater*, Criminal Code);
 - corruption of a person entrusted of a public service (article no. 320 and no. 321, Criminal Code);

- incitement of corruption (article no. 322, Criminal Code);
 - aggravated fraud against the State or another public entity or the pretext of exonerating someone from military service (article no. 640, subparagraph 2, no. 1, Criminal Code);
 - serious fraud to the damage of the government or another public entity or the European Communities (article no. 640-*bis*, Criminal Code);
 - IT fraud (article no. 640-*ter*, Criminal Code);
 - traffic of illicit influences (article no. 346-*bis*, Criminal Code).
- (b) IT offences and illegal use of Data (article no. 24-*bis* of the Decree):
- IT documents (article no. 491-*bis*, Criminal Code);
 - abusive access to an IT system or telematics access (article no. 615-*ter*, Criminal Code);
 - possession, and unauthorized distribution and installation of equipment, codes and other devices for 'access to computer or telematic system (article no. 615-*quater*, Criminal Code);
 - unlawful detention, distribution and installation of computer equipment, devices or programs aimed at damaging or disrupting a computer or telecommunications system (Article 615-*quinquies* of the Criminal Code);
 - interception, impediment or illicit interruption of IT or telematics communications (article no. 617-*quater*, Criminal Code);
 - detention, distribution and installation of equipment and other means of conducting interception, impeding or interrupting computer or telematic communications (article no. 617-*quinquies*, Criminal Code);
 - damage of information, data and IT programs (article no. 635-*bis*, Criminal Code);
 - damage to information, data and computer programs used by the state or other public body or otherwise of public utility (Article 635-*ter* of the Criminal Code);
 - damage to computer or telematic systems (Article 635-*quater* of the Criminal Code);
 - damaging computer or telematic systems of public utility (Article 635-*quinquies* of the Criminal Code).
- (c) Organized crime offences (article no. 24-*ter* of the Decree):
- criminal association (article no. 416, Criminal Code);
 - mafia type association, including foreign ones (article no. 416-*bis*, Criminal Code).
- (d) Offences against public faith (forgery of money, public credit cards and revenue stamps, and instruments or signs of recognition) (article no. 25-*bis* of the Decree):

- Spending and introduction of false coins, without an agreement, within the State (article no. 455, Criminal Code).
- (e) Offences against the industry and trade (article no. 25-*bis.1* of the Decree):
- trade fraud (article no. 515, Criminal Code);
 - sale of industrial products by using mendacious features (article no. 517, Criminal Code);
 - production and trade of goods by usurping industrial property deeds (article no. 517- *ter*; Criminal Code).
- (f) Corporate offences (article no. 25-*ter* of the Decree):
- false corporate communications (article no. 2621 and no. 2621-*bis*, civil code);
 - preventing control (article no. 2625, subparagraph 2, civil code);
 - illicit operations on stocks or shares or carried out by the holding company (article no. 2628, civil code);
 - improper distribution of profits and reserves (article no. 2627, civil code);
 - operations against the creditors (article no. 2629, civil code);
 - fake development of capital (article no. 2632, civil code);
 - impediment to implement the functionalities of the public vigilance authorities (article no. 2638, civil code);
 - corruption between individuals (article no. 2635, civil code);
 - incitement to corruption between individuals (article no. 2635-bis, civil code).
- (g) Crimes against individuals (article no. 25-*quinquies* of the Decree):
- enslavement or maintenance in slavery or servitude (article no. 600, Criminal Code);
 - illicit intermediation and working exploitation (article no. 603, Criminal Code).
- (h) Crimes of manslaughter and serious or very serious injuries committed in violation of the accident prevention regulations (referred to article no. 25-*septies* of the Decree):
- manslaughter (referred to article no. 589, subparagraph 2, Criminal Code);
 - negligent personal injuries (referred to article no. 590, subparagraph 3, Criminal Code).
- (i) Offences of receiving stolen goods, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering (referred to art no. 25-*octies* of the Decree):
- receiving goods (referred to article no. 648, Criminal Code);

- money laundering (referred to art no. 648-*bis*, Criminal Code);
 - use of money, goods or benefits of illegal origin (referred to art no. 648-*ter*, Criminal Code);
 - self-laundering (referred to art no. 648-*ter*.1., Criminal Code).
- (j) Offences relating to the violation of copyright (referred to art no. 25-*novies*, of the Decree):
- Offences related to the violation of copyright and other laws inherent its execution (referred to article no. 171 subparagraph no. 1, letter a-*bis*, article no. 171-*bis* and article no. 171-*ter* of Law no. 633 of 22 April 1941).
- (k) Crimes of inducing people not to make statements or to make false statements to the judicial authorities (referred to article no. 25-*decies* of the Decree):
- crimes of inducing people not to take statements or to make false statements to the judicial authorities (referred to article no. 377-*bis*, Criminal Code).
- (l) Environmental offences (article no. 25-*undecies*, of the Decree):
- destroying or damaging habitat within a protected site (Article 733-bis of the Criminal Code);
 - violation of environmental laws (referred to article no. 137 of the Legislative Decree no. 152, of 3 April 2006) related to drainage of liquid waste on land (referred to article no. 103 of the Legislative Decree no. 152, of 3 April 2006), underground drainage (referred to article no. 104 of Legislative Decree no. 152, of 3 April 2006), sewage system drainage (referred to article no. 107 of the Legislative Decree no 152, of 3 April 2006) and hazardous substance disposals (referred to article no. 108 of the Legislative Decree no 152, of 3 April);
 - unauthorized waste management activity (referred to article no. 256 of the Legislative Decree no 152, of 3 April 2006) which refers to the predicate offences that recall the cases noted in the same decree with single authorization for new disposal plants and waste recovery (referred to article no.208), authorizations renewal for those entities in possess of environmental certifications (referred to article no. 209), authorizations for particular circumstances (referred to article no. 210), authorization for researching and testing plants (referred to article no. 211), national bar of environmental operators (referred to article no. 212), activities and features assessment of waste for the admission to the simplified system (referred to article no. 214), self-disposal (referred to article no. 215), recovery operations (article no. 216), prohibition of abandoning goods (referred to article no. 192), prohibition of mixing hazardous waste (referred to article no. 187) and electric and electronical waste, medical waste, outdated vehicles and products and products containing asbestos (referred to article no. 227);
 - violation of the obligations inherent cleaning up sites (referred to article no. 257 of the Legislative Decree no. 152, of 3 April 2006);

- violation of the communication obligations, of the mandatory registers and forms (referred to article no. 258 of the Legislative Decree no. 152, of 3 April 2006);
 - illicit traffic of waste (referred to article no. 259 of the Legislative Decree no. 152, of 3 April 2006);
 - organized activities for illicit traffic waste (referred to article no. 452-quaterdecies, Criminal Code);
 - IT system for controlling the traceability of waste (referred to article no. 260-*bis* of the Legislative Decree no. 152, of 3 April 2006);
 - penalties (referred to article no. 279 of the Legislative Decree no. 152, of 3 April 2006);
 - termination and reduction of damaging substances for the atmospheric status of ozone (article no. 3 of Law no. 549, of 28 December 1993);
 - destruction or deterioration of *habitats* within an internal protected site (referred to article no. 733-bis, Criminal Code);
 - environmental pollution (referred to art. 452-*bis*, Criminal Code);
 - environmental calamity (referred to article no. 452-*quater*, Criminal Code);
 - intentional crime against the environment (referred to article no. 452-*quinquies*, Criminal Code);
 - aggravating circumstances (referred to article no. 452-*octies*, Criminal Code).
- (m) Employment of third-country nationals without a residence permit (referred to article no. 25-*duodecies* of the Decree):
- permanent or temporary employment relationship – employment of foreign citizens without a regular residence permit or with an expired residence permit, without renewal request or revoked or canceled (referred to article no. 22, subparagraph no. 12-*bis* of the Legislative Decree no. 286, of 25 July 1998).
- (n) Transnational offences (referred to article no. 10 of the Law no. 146 of 16 March 2006):
- criminal association (referred to article no. 416, Criminal Code);
 - mafia type associations including foreign ones (referred to art. 416-*bis*, Criminal Code);
 - inducing people not to make statements or to make false statements to the judicial authorities (article no. 377-*bis*, Criminal Code);
 - personal aiding (referred to article no. 378, Criminal Code).
- (o) Racism and xenophobia (referred to article no. 25-*terdecies* of the Decree):
- Racism and xenophobia (article no. 5, subparagraph no. 2 of Law no. 167 of 20 November 2017).
- (p) Market abuses (article no. 25-*sexies* of the Decree):

- abuse or improper communication of insider information. Recommendation or induction of others to commit insider trading (referred to article no. 185 of the Legislative Decree no. 58 of 24 February 1998);
 - insider trading (referred article no. 184 of the Legislative Decree no. 58 of 24 February 1998).
- (q) Tax Offences (Article 25-*quinquiesdecies* of the Decree):
- Fraudulent returns by means of invoices for non-existent operations (Article 2 of Legislative Decree 74/2000);
 - Fraudulent return by means of other artifices (Article 3 of Legislative Decree 74/2000);
 - The issue of invoices or other documents in relation to non-existent operations (Article 8 of Legislative Decree 74/2000);
 - The concealment or destruction of accounting documentation (Article 10 of Legislative Decree 74/2000);
 - The fraudulent deduction of tax payments (Article 11 of Legislative Decree 74/2000);
 - False Return (Article 4 of Legislative Decree 74/2000);
 - Failure to file a return (Article 5 of Legislative Decree 74/2000);
 - Set-off not due (Article 10-quater of Legislative Decree 74/2000).
- (r) Contraband Offences (Article 25-*sexiesdecies* of the Decree):
- Contraband in the movement of goods across land borders and customs areas (Article 282 of Presidential Decree 73/1943);
 - Other cases of contraband in the movement of goods across land borders and customs areas (Article 292 of Presidential Decree 73/1943).
- (s) Offences related non-cash payment instruments (Article art. 25-*octies.1* of the Decree):
- improper use and falsification of non-cash payment instruments (art. 493-ter, Criminal Code);
 - detention and distribution of computer equipment, devices or programs aimed at committing crimes regarding non-cash payment instruments (Article 493-quater of the Criminal Code).

5.4. Criteria of attribution of liability to the Entity

In addition to the commission of one of the predicate offences, other regulatory requirements must be integrated in order for the entity to be punishable pursuant to Legislative Decree 231/2001. These additional criteria for the liability of entities can be divided into "objective" and "subjective".

The objective criteria establish that Entities can be considered liable whenever the illegal behaviors indicated by the Decree are carried out providing that:

- a) the offence has been committed in the *interest* and/or to the *advantage* of the Entity;
- b) the offence has been committed:
 - i. “*by persons who hold positions of representation, administration or management of the entity, as well as the persons who manage, even if only de facto, the Entity itself or in autonomy a financial business unit*” (also known as “Persons in a top position”);
 - ii. “*by persons subordinated to the management and supervision of those indicated at letter a)*” (known also as “Subordinate Subjects”).

The “interest” concept is realized whenever the illicit conduct is carried out in order to obtain a benefit for the Company; the same liability can concern the Company whenever this obtains indirect advantages (economic or patrimonial benefits) from the illicit conduct, even if the author of the conduct has acted without the intention of achieving a benefit for the Company. On the contrary, the Entity’s liability is excluded when the offence, even if committed by violating the dispositions of the Model, has not been able to make the Company obtaining any kind of advantage nor the offence has been committed in the Entity’s interest but in the exclusive interest of the author that has committed the crime.

In order to applicate the administrative liability the interest and advantage criteria are between them alternative. The law does not require that the benefit obtained or hoped has necessarily economic nature: the liability of the entity exists not only when it has drawn an immediate financial advantage from the commission of the crime, but also in the hypothesis in which, even in the absence of such result, the fact is justified in the interest of the company. The Company cannot be held liable when the offence has been committed independently or against its will or in the exclusive interest of the author of the criminal conduct or third parties. The articles no. 6 and no. 7 of the Decree provide to describe the criteria for the implementation of the subjective liability of the Entity, which are different for any subject considered (persons in a top position or subordinated subjects).

It is also important to point out that, if the offence is committed by qualified persons of an entity belonging to a group, the concept of interest can be understood as “group” and extended in an unfavorable sense to the parent company or other company belonging to the same.

In order to applicate the liability of the parent company is necessary that:

- a predicate offence has been committed in the immediate and direct interest or advantage not only of the subsidiary but also of the parent company;
- individuals functionally connected to the parent company have participated in the commission of the predicate offence, making a causally significant contribution proven in a concrete and specific manner.

Referring to negligent crimes, such as murder or very serious injuries committed in violation of the accident prevention regulations (referred to article no. 25-*septies* of the Decree) and certain environmental crimes (referred to article no. 25-*undecies* of the Decree), the interest and/or the advantage of the Entity shall not be attributable to the event (i.e., death of the worker) instead to the conduct that has made possible the event, so long as criteria such as awareness and intentionality of the conduct were due to reach an advantage for the

Entity.

Therefore, the interest and/or the advantage can be recognized in saving security costs or increasing the velocity of performing actions or in increasing the productivity arisen from the absence of the adoption of safety and environmental measures.

The liability of the Entity is not applicable when the offence has been committed independently or against its will or in the exclusive interest of the author of the conduct or third parties.

The articles no. 6 and no. 7 of the Decree provide to describe the criteria for the implementation of the subjective liability of the Entity, which are different for any subject considered (persons in a top position or subordinated subjects).

When persons in a top position commit crimes, the Decree provides for the exclusion of the entity from liability only if the same proves that:

- the task of supervising the functioning of and compliance with the models and their updating has been entrusted to a body of the entity with autonomous powers of initiative and control;
- there has been no omission or insufficient supervision by the aforementioned body;
- those who have acted did it by circumventing the regulations provided by the Model².

The conditions mentioned above must be jointly applied in order to exclude the application of liability for the Entity; the exemption for the Entity from liability depends by the evidence that the same is able to produce on adopting a Model able to prevent the commission of crimes and its efficient implementation.

When a subordinate subject commits crimes, the article no. 7 of the Decree provides that the Entity will be liable only when the accomplishment of the crime will have been facilitated from the inobservance of the obligations related to management and supervision; the same inobservance can be excluded when the Entity, before the commission of the crime, has adopted and implemented a Model able to prevent the offences.

The article no. 30 of the Legislative Decree no. 81 of 9 April 2009, which concerns the health and safety within the workplace, establishes that the Model, in order to exempt the administrative liability for the Company, must be integrated with a corporate system able to fulfill all the related legal obligations:

- respecting the technical and structural law standards inherent the facilities, plants, workplace, bio and chemical agents;
- the risk assessment for the activities and the preparation of the prevent and protection measures needed;
- organized activities, such as, emergencies, contract procedures, security periodic meetings, workers representatives consultations for security matters;
- health monitoring activities;

² The fraud mentioned by the Decree not necessarily requires tricks for being recognized but implies that the violation of the Model has been determined bypassing the control system provided by the same Model in order to force its efficacy.

- information and education activities for the workers;
- supervisory activities concerning the respect of procedures and job instructions for working safely;
- acquisition of documents and certifications necessarily required by law;
- periodic checks concerning the application and the efficacy of the procedures adopted.

The Model must provide appropriate recording systems for the activities listed above. In any case, the Model must provide, as required by the nature and dimension of the organization and from the activity carried out, a coordination of functionalities that ensures technical skills and the needed authority to check, assess and for managing and controlling the risks, as well as a suitable system for sanctioning the disrespect of the control measures indicated in the Model. The Model must also provide an appropriate control system on itself and has to maintain all the conditions needed for its suitability in time.

Lastly, the already mentioned article no. 30 establishes that as first implementation, those Models that are compliant with:

- UNI-INAIL guide lines for having a system related to health and safety in the workplace (SGSL) of 28 September 2001, or
- the British Standard OHSAS 18001:2007;

are supposed to be compliant to the requirements above mentioned.

The presumption of conformity concerns to the evaluation of the preventive abstract suitability of the legal model; it is not referred also to its efficient implementation, which will be performed by the judicial authority by analyzing the concrete observance of the implementation of the Model³.

5.5. Offences committed abroad

According to article no. 4 of Legislative Decree 231/2001, the entity may be called to testify in Italy in relation to crimes committed abroad covered under the decree.

The conditions (provided by the regulation or inferable from the complex of Legislative Decree 231/2001), on which the entity's liability for crimes committed abroad is based, are:

- the Entity must have its head office in the territory of the Italian State;
- the Entity can only respond in the cases and under the conditions provided by articles no. 7 of the Italian Criminal Code “Political crime committed abroad”, article no. 9 of the Italian Criminal Code “Common crime of the citizen abroad” and article no. 10 of the Italian Criminal Code, “Common crime of the foreigner abroad” (in cases where the law provides that the guilty person – a natural person – is punished at the request of the Minister of Justice, proceedings are brought against the entity only if the request is also made against the Entity itself;

³ The Entity's conformity to the certification systems does not establish presumption of conformity to the requirements of the Decree.

- the offence must be committed abroad by a person functionally linked to the entity, pursuant to article no. 5, paragraph no. 1, of Legislative Decree no 231/2001;
- the State of the place where the offence was committed does not proceed against the entity⁴.

5.6. Sanctions

The articles from no. 9 to no. 23 of the Legislative Decree no. 231/2001 provide for a sanctioning mechanism for the predicate offences, imposing penalties directly to the Company, which differ in nature and method of execution:

- monetary sanctions;
- interdictory sanctions;
- confiscation;
- publication of the sentence.

The competent criminal judge will have the task, once the liability of the Entity has been established, to define the amount to be paid and if this one has to be actually done.

The Entity is considered liable even if the Offence has been committed in the concept of trying; in such hypothesis, the monetary and interdictory sanctions will be reduced from one-third to a half (referred to article no. 26 of the Decree).

According to article no. 26 of the Decree, the Entity is not liable when willingly avoids the fulfilment of the offence or the realization of the event.

a) Monetary sanctions

Whenever the Entity is condemned, it is always applicable the *monetary sanction*. Each type of crime has in its correspondence an edictal range that goes from a minimum to a maximum of quotas (absolutely from 100 to 1000 quotas), and each quota can vary from €258 to €1,549. The judge therefore has the possibility to commensurate the penalty to be imposed both in relation to the seriousness of the offence and the manner in which it was committed, and in relation to the economic conditions of the entity. In order to guarantee the payment of the fees, the judge may also order the precautionary seizure of the entity's assets.

The sanction is reduced: (i) by half⁵ when a) the author of the crime has committed the fact in his (or third parties) mainly interest and the Company has not received benefits or a minimum advantage and b) the financial loss determined has not a major impact; (ii) from one third to a half, if the Entity, before the opening statement of first degree, has a) entirely paid the damage and has provided to eliminate all the harmful or dangerous consequences of the crime or has started a process in order to remedy to all the consequences above mentioned, or b) has been adopted and implemented an appropriate Model to prevent offences within the

⁴ Every Entity established abroad with a head office or the corporate purpose in Italy is subject to the dispositions of the Decree.

⁵ It cannot be an amount over Euro 103.291,00.

same category of the one occurred; from a half to two-thirds when are applicable the conditions mentioned by letters a) and b) of point (ii).

b) Interdictory sanctions

The interdictory sanctions may be applied in addition to monetary sanctions, but only if expressly provided for the offence for which they are being applied and only if at least one of the following conditions are met:

- the entity has made a significant profit from the offence and the offence was committed by persons in a senior position, or by a subordinate person, but only when the commission of the offence was made possible by serious organisational shortcomings;
- in the event of repetition of the offences.

The disqualification sanctions provided by the Decree are:

- temporary or permanent disqualification from exercising the activity: this kind of sanction is applicable only when the other sanctions are not appropriate to the type of crime committed and involve the suspension or the withdrawal of licensees or concession that are functional to the activity;
- suspension or revocation of authorizations, licenses or concessions that are functional to the commission of the offence;
- prohibition of contracting with the Public Administration, except to obtain the performance of a public service; the prohibition can be related to restricted kinds of contracts or public sectors;
- exclusion from subsidies, financing, contributions or subsidies and possible revocation of those already granted;
- Temporary or permanent prohibition of advertising goods or services. If

necessary, the interdictory sanctions can be applied jointly.

The Offences, which are related to the interdictory sanctions, are those mentioned by articles no. 24, no. 24-*bis*, no. 25, no. 25-*bis*, no. 25-*bis.1*, no. 25-*quarter*, no. 25-*quarter.1*, no. 25-*quinquies*, no. 25-*septies*, no. 25-*octies*, no. 25-*novies* and no. 25-*undecies* of the Decree and lastly, the transnational Offences referred mentioned by the Law no. 246 of 2006.

The legislator has elaborated within the article no. 15 of the Decree an alternative to the interdictory sanction, represented by the legal commissioner; the judge when concerning the entity, for the same period of the interdictory sanction, must adopt this solution, which establishes the activity interruption, if at least one of the following conditions persist:

- the company runs a public service which interruption may cause a serious harm to the community;
- the activity interruption may provoke serious harm on the occupation level, considering the company's seize and the economic conditions on the territory where it is situated.

Once the existence of one of the two conditions mentioned above has been ascertained, the judge through sentence will design a commissioner, indicating his or her duties and his or her authority with particular reference to the specific area where the offence was committed; the commissioner's task is related to manage the Model's action in order to prevent the commissions of crimes within the same category of the one already committed. He cannot execute any kind of special administration without the authorization of a judge.

The legal commissioner is an alternative to the interdictory sanction and this is the reason why it must have a sanctioning nature; this situation is carried out by confiscating the profits consequent the activity continuation. The alternative of the legal commissioner cannot be applied when the company has received a permanent interdictory sanction.

Exceptionally applied with *definitive effects*, disqualification sanctions are usually *temporary*. In particular, the article no. 16 of the Decree no. 231/2001 establishes the case studies, i.e.:

- a) it can only be applied when the entity has reached a profit through the commission of the crime and it has already been condemned to the temporary interdiction of the activity at least three times in last seven years;
- b) the prohibition of contacting the public administration or the prohibition of advertise its own goods or services can be enforced if the Entity has already been condemned to the same sanction at least three times in the last seven years;
- c) the permanent interdiction of continuing the activity should always be enforced by the court if the entity is shown to be, in fact, an "illicit business," that is, of an organization with the only purpose of permitting or facilitating the commission of crimes.

Furthermore, the interdictory sanctions can be applied also as precautionary measure, meaning that it can be applied at the preliminary investigation stage, if exist serious evidences of the entity's liability and exist serious reasons that concern a very possible situation where a crime, having the same nature of the one considered, can be committed. The interdictory sanctions cannot be applied if the monetary sanction is reduced.

It should be noted that interdiction measures cannot be applied if: a) the offender committed the act in his or her own prevalent interest or in the interest of third parties and the entity did not gain an advantage or gained a minimal advantage; b) the pecuniary damage caused is of particular small magnitude. These circumstances result in a more moderate pecuniary penalty (i.e., reduced by half compared to the sentence provision and in any case not exceeding 103,291 euros).

Furthermore, the interdictory sanctions are not applicable when the entity, before the first-degree statement opening has:

- fully paid and eliminated all the harmful and dangerous consequences related to the crime (or it has started a process in order to do it);
- given to the authority the profit gained through the commission of the crime;

- eliminated the organisational shortfalls which have caused the commission of the crime and implemented appropriate organisational models for preventing the commission of crimes forming part the category of the one committed.

As well as the monetary sanctions, the competent criminal judge, considering the provisions of article no. 14 of the Decree, establishes the type and lifetime of the interdictory sanctions.

The interdictory sanctions have a lifetime that goes from a minimum of three months to a maximum of seven years. The duration of any interim measures imposed shall be calculated in the duration of sanctions finally enforced.

The interdictory sanctions must refer to the specific activity sector of the entity and must answer to the principles of adequacy, proportionality, subsidiarity, particularly when applied as precaution.

c) Confiscation

The confiscation consists in the acquisition by the State of the price or profit of the crime (ordinary confiscation) or of a value equivalent to them (confiscation for equivalent). This type of sanction cannot be applied to the rights acquired by third parties when they have acted respecting the good faith principle.

When it is not possible to confiscate the price or the profit reached through the crime, the same sanction can act on an equivalent amount of money or goods or other benefits that have the same worth gained through the crime committed.

d) Publication of the sentence

The judge can order the publication of the sentence when an interdictory sanction is applied to the Entity.

The sentence is publicized according to article no. 36, Criminal Code, as well as by posting in the municipality where the entity has its headquarters.

5.7. Events affecting the Organization

The Decree regulates the regime of the liability of the Entity in the event of changes, or in the case of transformation, merger, division and transfer of business.

The Decree has attempted to adapt the need to prevent the commission of crimes by carrying out the operations mentioned above with the necessity of excluding excessively punitive effects that can establish a limit to the reorganization of the entities that do not have elusiveness purposes. As a general criterion, the principles of the civil laws on the liability of the converted entity for the debts of the original entity are applied to the monetary penalties imposed on the entity. The disqualification sanctions, on the other hand, remain at the expense of the entity in which the branch of activity where the offence was committed remained (or was merged).

In the event of:

- *changes to the Entity*: liability for offences committed before the date on which the change took place remain applicable. The new entity will therefore be the recipient of the sanctions applicable to the original entity for acts committed before the transformation;
- *merger*: the entity resulting from the merger, including by incorporation, is liable for offences for which the entities that took part in the operation were responsible. If it took place before the conclusion of the assessment of the entity's liability, the judge must take into account the economic conditions of the original entity and not those of the entity resulting from the merger;
- *partial demerger*: liability for the offences committed before the date on which the partial demerger took effect remains unaffected. The new entities will therefore be the recipient of the sanctions applicable to the original entity, for acts committed before the transformation. The obligation is limited to the value for the equity transferred unless the obligation is related to the entity that has received, also partially, the branch of activity where the crime was committed. Concerning the disqualification sanctions, they will be applied to the Entity which will run the branch activity where the crime has been committed;
- *transfer or contribution of the company*: in the event of a transfer or contribution of the company in the context of which the offence was committed, except for the benefit of the prior enforcement of the transferor body, the transferee is jointly and severally obliged with the transferor body to pay the pecuniary sanction, within the limits of the value of the transferred company and within the limits of the pecuniary sanctions resulting from the compulsory accounting books, or of which the transferee was aware. In any case, the disqualification sanctions apply to entities to which the branch of activity in which the offence was committed has remained or has been transferred.

5.8. Indications of the Decree concerning the characteristics of the Model

According to the efficacy of the Model for preventing the commission of the crimes mentioned by the Decree no. 231/2001, the legislator, according to article no. 6, subparagraph no. 2 of the Decree, does not provide a fixed discipline to align nature and features of the Model, but establishes that the Model must have the following characteristics:

- a) to identify the activities where could be committed crimes (the so called “mapping process” of the activities subject to risks);
- b) to establish specific protocols in order to program an information process related to the crimes to prevent;
- c) to identify management methods of the financial assets appropriate for preventing the commission of crimes;
- d) to provide obligations for the information process related to the body that is in charge for supervising the functionality and the observance of the Model;
- e) to implement an appropriate disciplinary system to sanction the disrespect of the rules indicated by the Model.

With reference to the effective implementation of the Model, the Decree no. 231/2001 requires that:

- a) the Model must provide appropriate measures for guaranteeing the carrying out of the activities by respecting the law and by identifying promptly the risky situations, considering the type of activity carried out and the nature and seize of the organization;
- b) the efficacy on adopting the Model is supported by s a) a periodic test and eventually a modify of the Model when are discovered relevant violations of the law prescriptions or when intervene relevant changes in the organization or in the business, b) an appropriate disciplinary system that sanctions the disrespect of the measures indicated by the Model.

The adoption of the Model it is not mandatory, but it is an act of freewill. Therefore, by not adopting the Model there are not any sanctions to be applied for the Company. However, the adoption of the Model represents an essential assumption for being exempted from the application of the administrative liability in case of commissions of crimes by persons in a top position or subordinate subjects.

The Model can be defined as a complex of rules, principles, procedures and controls that regulate the organization and the management of the company, by having the purposes of prevention the committing crimes.

The Model changes by considering the nature and seize of the Entity and the type of business that this runs. Consequently, it is not a stationary tool, but is a dynamic system that allows the Entity to mitigate, through a correct and efficient implementation of the Model in its lifetime, the risk of committing crimes.

5.9. The Guidelines elaborated by trade associations

According to the law (referred to article no. 6, subparagraph no. 3, Decree no. 231/2001) the Organisational Models can be adopted in accordance with codes of conduct prepared by the trade associations and communicated to the Minister of Justice.

Confindustria, in June 2021, has released an updated version of its own “Guide Lines for the building of Organisational Models according to Decree no. 231/2001”.

The Minister of Justice has approved the Guide Lines assuming that the update is “*adequate and appropriate to the purpose established by article no. 6 of the Decree*”.

The guidelines established by Confindustria indicate a process that can be summarized as follows:

- identification of the Company processes and activities in which it is possible that the predicate crimes indicated in the Decree are committed;
- risk self assessment of the commission of offences and of the internal control system suitable for preventing unlawful conduct. The most relevant features of the control system designed by Confindustria are:
 - Code of Ethics;
 - organised system;
 - manual and IT procedures;
 - power of authorization and signature;

- management and control systems;
- information and education of the employees.

The sections of the control system must be related to the following principles:

- verifiability, documentability, consistency and congruency in each operation;
- application of the segregation of duties principle (no one can handle autonomously an entire process);
- documentation about the controls;
- existence of an appropriate discipline system that for the violation of the Civil Code laws or the measures of the Model;
- identification of a SB that operates by adopting principles of autonomy, independence, professionalism to whom the different functions of the company have to send information flows.

In order to create its own Organisational Model, Gianni Versace, even if not associated to Confindustria, has taken inspiration and has expressly considered:

- the dispositions of the Decree no. 231/2001 and its ministerial report and the ministerial decree no. 201 of 26 June 2003 containing the execution regulation of the Decree no. 231/2001;
- the Guide Lines established by Confindustria and released on June 2021.

6. THE ORGANISATIONAL MODEL

6.1. Brief History of Gianni Versace

Founded in 1978 in Milan, Gianni Versace S.r.l. is one of the leading international fashion design houses and a symbol of Italian luxury world-wide. It designs, manufactures, distributes and retails fashion and lifestyle products including haute couture, prêt-à-porter, accessories, jewellery, watches, eyewear, fragrances, and home furnishings all bearing the distinctive Medusa logo.

The Versace Group distributes its products through a world-wide network of direct and franchised stores.

In November 2025, the Gianni Versace S.r.l. joined Prada Group, a global fashion and luxury group

6.2. Objectives pursued by the Company with the adoption of the Model

Gianni Versace, in line with the ethical principles of legality, correctness and transparency in conducting of business, corporate and governance activities has adopted a Model consistent with the needs expressed by the Decree, as an essential process of prevention of the risk of committing the offences provided with the resolution

of the Board of Directors of 18 of December 2019 (in compliance with the provisions of article no. 6 paragraph I, letter a) of Legislative Decree no. 231/2001) and has appointed a Supervisory Body having the task of supervising its functioning, efficacy and compliance, as well as promoting its updating.

The adoption and efficient implementation of the Model not only allow Gianni Versace to benefit from the exemption provided by the Legislative Decree no. 231/2001 but improves, within the limits set by the same, its Corporate Governance, limiting the risk of commission of offences.

In particular, through the adoption of the present Model, Gianni Versace has meant to:

- adapt to the administrative liability law, even if the Decree has not established its mandatory;
- verify and valorize the controls already existing and having the purpose on avoiding illicit conducts relevant to the Decree;
- demanding from the whole personal involved in the company the necessary respect to the dispositions of the Model which violation is sanctioned with strict disciplinary sanctions;
- to inform external collaborators, consultants and business partners of the scope of the law as well as the ethical principles and behavioral rules adopted by the Company and impose on them the respect of ethical values, also informing them of the serious administrative sanctions applicable to the Company when are committed the crimes mentioned by the Decree, in addition to the civil liability, having contractual and extra-contractual nature.
- make every possible effort to prevent offences by carrying out the corporate activities, through a continuous monitoring of the risk areas, through systematic staff training activities on the correct way to carry out their duties and through prompt intervention to prevent and counter the commission of offences;
- entrust to a SB, provided with autonomous powers, made up of people who guarantee independence, autonomy and professionalism, the task of supervising the knowledge, diffusion, application of the Model, as well as to promote the updating of the same whenever it sees the opportunity.

The purpose of the Model is therefore the preparation of a structured and organic system of procedures and control activities, which has as its objective the reduction of the risk of committing crimes through the identification of Sensitive Activities and their consequent proceduralist.

The adoption and effective implementation of the Model not only constitutes the requirement for the Company to benefit from the exemption from liability, but also acts as an integration of the Corporate Governance rules.

The Model will be subject to any changes and additions according to the same formalities with which it was approved.

6.3. The function of the Model and its assumptions: the integrated system of internal controls

The principles and rules contained in the Model are intended to make the subjects (members of the Corporate Bodies, employees, various Partners etc.) who operate in the name and / or on behalf and / or in the interest of

the Company, and whose activity could trespass over into the commission of crimes, the full awareness that certain behaviors constitute criminal offence, whose commission is totally unacceptable, firmly condemned and contrary to the interests of Gianni Versace even if apparently the latter would seem able to take advantage of it. Besides, it has to be added the awareness that the commission of the offense will entail, in addition to the penalties provided for by law, also internal, disciplinary or other sanctions.

From another point of view, thanks to a continuous monitoring of the company's activities and to the possibility of reacting promptly, Gianni Versace is able to prevent the commission of crimes and to impose appropriate sanctions to those who commit the offences. In order to accomplish this, result essential the tasks assigned to the SB which has the duty to control all the people who have to operate in the area of the Sensitive Activities.

All the procedures and the already existing systems of control in Gianni Versace have been taken in consideration in order to prepare the present Model (if judged as appropriate to prevent the commission of offences and suitable for controlling the Sensitive Activities). Therefore, this Model, on the understanding to its specific purpose relating to Legislative Decree 231/2001, is part of the wider control system consisting mainly of the Corporate Governance rules and the Internal Control System (ICS) existing in the company.

The main governance instruments adopted by the Company can be summarised as follows:

- corporate bylaws, which, in compliance with the laws in force, contain various provisions relating to corporate governance aimed at ensuring the correct performance of management activities;
- the Company Code of Ethics;
- the Internal System of Control, and so the procedures, the documentation, the dispositions inherent the hierarchical structure and the management control system;
- the rules concerning the accounting, administrative, financial and reporting of the company;
- the communications to the employees and them education;
- the disciplinary system;
- generally, the Italian and foreign law applicable.

The principles, rules and procedures referred to the tools listed above are not detailed in Model but are part of the wider organisation and control system that it intends to integrate. The essential principles, which the Model takes inspiration from, are:

- the requirements indicated by the Decree no. 231/2001 and especially:
 - appointment of the Supervisory Body, with the task of ensuring the effectiveness and correct application of the Model, also through the constant monitoring of a Corporate conduct and continuous information on activities relevant to each business area for the purposes of Legislative Decree no. 231/2001;
 - establishing the necessary resources to the SB in order to accomplish its tasks;
 - verification of the Model functioning with a consequent periodic update;
 - activities of awareness and diffusion of the behavior rules.
- general principles of an appropriate internal control system:

- verifiability and documentability of each operation relevant for the purposes of Legislative Decree no. 231/01;
- compliance with the principle of segregation of duties;
- the definition of powers of authorization in line with the responsibilities assigned;
- the communications to the SB of facts and information deemed relevant by anyone.
- lastly, the implementation of the control system must give priority to the areas where subsist a relevant possibility that crimes can be committed.

The responsibility for the correct functioning of the internal control system is specific to each organisational structure for all the processes for which it has management responsibility.

The different tasks established for each body are defined by respecting the following control structures:

- first level of controls, carried out by the single operating units on the processes of which they have the management responsibility, designed to ensure the proper functioning of the operations;
- monitoring activity, carried out by the owners of the processes and aimed to verify the proper functioning of the underlying activities on a basis of controls having hierarchical nature;
- internal audit, aimed to find anomalies and eventual violations of the procedures and regulations and also designed for evaluating the adequacy of the internal control system and executed by independent structures from those operational.

Although the existing internal control system is capable of being used for the prevention of the offences mentioned by the Decree, the Board of Directors, sensitive to the need of ensuring conditions of correctness and transparency in the conduction of business and corporate activities, to protection of its position and image, of the expectations of its shareholders and of the work of its employees, has decided to conduct an analysis of its organisational, management and control tools, aimed to verify the correspondence of the behavioral principles and procedures already adopted to the purposes set out in the Decree and, where necessary, to adapt them in order to bring them into compliance with the purposes mentioned above.

6.4. The construction of the Model

The Legislative Decree no. 231/2001 expressly provides, according to article no. 6, subparagraph no. 2, letter a), that the Organisational Model must be capable of identifying the corporate activities in which scope can be committed the crimes mentioned within the Decree.

The Model has been set up by the Company considering, in addition to the dispositions of the Decree, the Guide Lines of Confindustria and the dispositions emerged by the jurisprudence. The phases needed to develop and update the Model are briefly described below.

Phase I: Analysis and collection of the documentation

The Company has carried out a deep analysis of its corporate activities on the basis of the information collected by the company representatives who, due to their role, are provided with the widest and deepest knowledge of the operations of the corporate sector of their competence in order to understand the internal and external operating context of reference for the Company.

In particular, the phase here considered has allowed verifying, functionality by functionality, the existence, the knowledge and the concrete application of the already existing operational procedures.

The next phase, described in the following paragraph, has been directed to verify the documentation and the information collected according to the dispositions of the Decree.

Phase II: As is Analysis and Risk Assessment (identification of the activities at risk)

From a methodological point of view, the risk assessment and the individuation of the existing controls are performed with a method that provides a first phase of risk assessment and a second one of risk management.

The risk assessment has been conducted through the following steps:

- individuation of the risk with a specific benchmark to the activity which determines it and to the predicate offence;
- individuation of the possible threat for the entity or the or the possible hostile action;
- individuation of the subject (in a top position or subordinated) from whom action can rise the threat.

The results mentioned above have been collected in a descriptive document (known as Matrix of the activities subject to risk and offence) which illustrates the detailed profiles of risk of commission crimes mentioned by the Decree, in the context of Gianni Versace's activities.

In particular, within the Matrix of activities subject to risk and offence are represented the corporate areas at risk of possible commissions of the offences provided by the Decree (so-called "sensitive activities"), the related crimes, the examples of modes and purposes for realizing them and the processes where these offences can be committed.

In this manner, it has been possible to realize a mapping process of the risk areas showing the activities, which through the offences can be committed.

The categories of offences which are not included in the Model (offences with terrorism purpose, practices of mutilation of females genital organs) have been considered in a preliminary analysis where has been taken the decision to do not include them in the Model as their applicability to the Company is not possible.

Phase III: identification and analysis of the controls already implemented

Has been required to all the subjects that are in charge of the management of the risk areas where have been identified sensitive activities to illustrate the operative procedures and the concrete existing controls that can be recognizable as appropriate to garrison the risk identified.

Phase IV: gap analysis

The risk situation has been compared with the exigencies and the requirements imposed by the Legislative Decree no. 231/2001 in order to identify the shortfalls of the current system. In cases where risk activities have been identified that need a garrison more detailed, jointly with the owners of such risk activities, it has been provided to identify the additional actions that could result more efficient in order to prevent the identified hypothesis of risk, considering also the existence of operating rules even if respected in the operative practice.

Phase V: definition of protocols

For each area where a risk profile has been identified the SB, jointly with the Compliance and Internal Audit functions, has recommended the adoption of a specific protocol, intended as a complex of rules (guide lines, procedures, power limitations, assessment and control systems) that can be considered as appropriate in order to govern the risk profile identified.

The protocols have been submitted to the attention of the owners of the risk activities management in order to be evaluated and shared. An efficient system of protocols cannot be built without analyzing the system of proxies and powers of attorney in order to ascertain the coherence between the power assigned and the decisional processes managed.

The definition of the protocols is completed and integrated with the Code of Ethics, both in order to indicate a series of principles of conduct that must be valid for all the collaborators and employees of the Company in each territorial reality in which it operates, and in order to reconfirm the criteria of proper, transparent and correct management which the Company intends to comply with.

Phase VI: Development of the Model

The present Model represents the evolution and the updating of the previous versions, in order to show the legal and organisational developments and to guarantee the compliance of this tool to the Company and its effective suitability as exemption of the administrative liability indicated by the Legislative Decree no. 231/2001.

Phase VII: Review of the Model

As indicated above, the present Model is subject to a periodic review in order to show the recent legal and organisational developments.

The results of the review activity are intended as the mapping processes of the sensitive activities, which are the result of a management self-assessment activity developed with the support of the Compliance Division for the 2019 and 2021 reviews, and of the Internal Audit Function for the 2023 reviews under the supervision of the SB.

The protocols are inspired by the rules of decision-making and operational and control processes documented and verifiable, relating to the sensitive activities identified.

The operational unit subject to the protocol transposes it and then has the responsibility to verify that the daily operatively is aligned to the phases of implementation and to the moments of verification.

6.5. Modifications to the Model

The Model represents an “*act of emanation by the management board*” (in compliance with article no. 6, subparagraph I, letter a) of the Decree no. 231/2001) and due to its nature, the obligation to integrate and update the Model is delegated to the Board of Directors of the Company.

The Model must always be promptly modified or supplemented by the Board of Directors, upon proposal of the SB and always after consultation of the SB itself, when:

- significant changes have occurred in the regulatory framework, organisation or activity of the Company;
- changes to the organisational structure of the Company (such as corporate finance transactions or scientific and technologic progress);
- violations or circumventions of the provisions contained therein have occurred, which have demonstrated that they are not effective in preventing crimes.

Any substantial changes and/or additions to this Model (i.e., changes to the rules and general principles contained therein and, in particular, any changes that may concern the chapters relating to the Company's Model, its Supervisory Body and the System of Sanctions of the General Section and the Special Sections of this Model) are the responsibility of the Board of Directors.

Any other modification (of a purely formal nature and therefore not of a substantial nature) but in any case such as to make it necessary to amend the Model, represents a responsibility of the Chief Executive Officer who updates the Model, subject to the opinion of the Supervisory Body. The Supervisory Body must promptly report in writing any facts and/or reasons that make it necessary to amend or update the Model to the Board of Directors, so that the latter may adopt the resolutions falling within its competence or so that the Chief Executive Officer may update the Model, in cases where the latter has the power to do so autonomously. The implementation of the principles and prescriptions contained in the Model is also a responsibility of all the Recipients and, in particular, of the managers and/or heads of the Company's departments. The SB must be constantly informed of the updating and implementation of the operating procedures and of the suggestions made for their modifications. Changes to Company procedures necessary for the implementation of the Model are made by the relevant company departments concerned. The Supervisory Body is constantly informed of the updating and implementation of the new operating procedures and may express its opinion on the changes proposed. If the Supervisory Body deems it necessary to modify the operating procedures, it must notify the competent company management.

7. THE CODE OF ETHICS OF PRADA GROUP

Gianni Versace considers a strict commitment to strong ethical values to be important to its success and has adopted Prada Group Code of Ethics (hereafter "Code of Ethics"), which constitutes the set of principles and behaviors that inspire and guide the Company's actions in the conduct of its business..

In the context of the Decree, the Code of Ethics represents an essential protocol for building up an organisational model capable to prevent the predicate offences.

The Code of Ethics is an integrated section of the Model, describes the ethics principles that Gianni Versace recognize as important, and to which everyone who works in the Company has to comply with. The Code of Ethics must be respected as well as the legal framework and all the current dispositions of every country in which has a business activity.

The Recipients and Third Parties are required to observe the Ethics principles and, as far as they are concerned, to make other people observe the principles contained in the Code of Ethics.

The Code of Ethics violations will be subjected to sanctions imposed by the Disciplinary System (which is also an integrated section of the Model) and eventually to sanctions imposed by other existing codes of the Company.

The SB must be promptly informed by the Recipients of any information that may concern the non-application or the violation (even if potential), of the Code (please refer to paragraph no. 12.5). In case of no communication of a circumstance or a fact capable to integrate the danger of committing a violation of the Code, the same behavior can be recognized as a violation and be subjected to a possible sanction.

8. THE HEALTH AND SAFETY CONTROL SYSTEM ON WORKPLACES AND THE ENVIRONMENTAL MANAGEMENT SYSTEM

The employees' health and safety and the creation and maintenance of a healthy work environment are essential purposes for Gianni Versace. For the systematic verification of those purposes, Gianni Versace has appointed an appropriate control system based on the knowledge of the risks existing in the company, their prevention and monitoring.

The control system, which is inspired to ISO 45001:2018, provides:

- an organisational structure with tasks and responsibilities formally defined in coherence with the Company's organisational system and functionalities;
- an articulation of the functionalities which ensure the required and adequate technic skills and the powers to evaluate, manage and control the risk for health and safety of the employees;
- the introduction of an integrated organisation and management system of health and safety in the workplace;
- a continuing operation of analyzing risks and critics processes;
- the adoption of the best technologies available;
- the control and the update of the work methods;
- the implementation of education and communication trainings.

In compliance with the Legislative Decree no. 81/2008 and subsequent additions, the system concerns the following health and safety measures:

- health and safety risk assessment;
- prevention planning understood as the complex of the work and environmental conditions;
- elimination or reduction of the risks;
- preference for what is not dangerous;
- limitation of the number of workers exposed to risk;
- limited utilize of chemical, physic or bio agents;
- priority of general preventing plans;
- adequate utilize and verification of the prevention plans utilized for individuals;
- sanitary control;
- information and education of the workers, of their representatives, of the managers and supervisors, in consideration of their roles in the health and safety system;
- involvement and consultation with the workers;
- adequacy and completeness of the information given to the workers;
- periodic maintenance of the equipment, environments and plants;
- preparation of the emergency safety measures.

The corporate procedures have been prepared in compliance to the current law inherent health and safety in the workplace.

Gianni Versace recognizes and promotes the environment safeguard and contributes to the sustainable development on the territory and to the identification of industrial solutions with a lower environmental impact, as also provided by the Code of Ethics, which is inspired to the international standard ISO 14001:2015.

In order to respect the environmental laws and the regulations and referring especially to the Legislative Decree no. 152 of 9 April 2006, the Company adopts procedures directed to:

- 1) to proceduralize and monitoring the processes and the activities most sensitive to environmental issues and associated;
- 2) to formalize appropriate organisational dispositions in order to identify the liable subject for respecting the environmental law and the liable subjects for the environmental risk assessment;
- 3) to proceduralize and monitoring the planning activities and the environmental expenses recap.

9. THE DISCIPLINARY SYSTEM

9.1. General principles

The effectiveness of the Model is connected also to the adequacy of the sanctioning system for the violation of the conduct rules and generally, of the internal procedures and regulations.

The Disciplinary System operates in compliance with the current regulations (also included those of collective negotiation) and has an internal nature which does not replace the current regulations but acts as complementary to them and as an integrated system to the other corporate dispositions.

The application of the punitive measures indicated by the Model does not replace further sanctions of other nature (such as, administrative, criminal, civil and fiscal penalties) which may arise from the same offence.

For those aspects not regulated by the Disciplinary System, will find application the regulations provided by article no. 7 of the Law no. 300 of 20 May 2000 (so-called “Workers’ Statute) and in addition the regulations of the collective negotiation and corporate dispositions applicable.

The application of punitive measures for the violation of the conduct rules and inobservance of the corporate dispositions results being independent from the criminal judgement and its own result. The company assumes such dispositions autonomously and regardless of the character of the criminal offense that the conduct may configure.

The sanction will be proportionate to the gravity of the violation and its recurrence. In case of expulsive sanction will be considered also the recidivism of the same.

A non-correct interpretation of the principles and rules established by the Model may constitute exemption only in cases of good faith behavior in which the constraints set by the Model exceed the limits of a detailed analysis required to a person, which use the principle of good diligence.

Are subjected to sanctions:

- the violations of internal procedures provided by the Model or the adoption, in carrying out the Sensitive activities, of behaviors that do not comply with the dispositions of the Model whether they expose or do not expose the company to an objective risk situation of committing one of the Crimes mentioned by the Legislative Decree no. 231/2001;
- the adoption of behaviors that violate the dispositions of the Model and directed to the fulfilment of a crime;
- the adoption of behaviors that violate the dispositions of the Model capable to determine the concrete or potential application of sanctions to Gianni Versace for the offences mentioned within the Legislative Decree no. 231/2001.

The disciplinary and contractual sanctions, and the eventual request of compensation for damages, will be commensurate to the level of responsibility and autonomy of the Employee, or with the role and intensity of the

fiduciary constraint connected with the assignment given to the Directors, and Service Companies (meaning third parties companies with which Gianni Versace has business relationships).

The system of sanctions is subjected to a continuous verification and evaluation of the CEO and the HR Manager, which are liable for the concrete application of the disciplinary measures on the eventual alert of the SB.

The system of sanctions finds application even toward the SB or to those subjects whom negligent behaviors have not identified and consequently not eliminated the behaviors, which took place against the Model.

The violation of the specific supervisory obligation of those subjects, which are subordinated to the persons in a top position, will provide punitive penalties imposed by the Company and according to the NCA, by considering the nature and gravity of the violation and the role of the person in a top position.

The violation of single behavioral rules from those employees that do not have managerial qualifications are to be understood as disciplinary offenses.

The sanctions that can be imposed to the employees are forming part of the ones provided by the disciplinary corporate code, according to article no. 7 of the Law no. 300 of 30 May 1970 (Workers' Statute) and eventual special regulations applicable.

The Model refers to the categories of sanctionable facts provided by the existing sanctioning system, which refers to the National Collective Agreements ("NCA") which is applicable to Gianni Versace's employees.

10. THE PROCEDURES

As part of its organisational system and in compliance with the principles of the Model, the Company is equipped with a complex of written procedures and operating instructions monitored by the Compliance function and the Internal Audit function, which ensure consistency for the sections within its competence (the "Procedures").

The Procedures are aimed to regulate the behavior in the different operating activities and at allowing the preventive and subsequent controls on the correctness of the operations in order to guarantee the effective uniformity of behavior within the Company, in compliance with the regulatory provisions that regulate its activity.

The procedures which applicate the principles and prevention measures for offences are integrated as section of the Model and are prepared by the Company in compliance with the following principles:

- to adopt measures that ensure that each operation is verifiable, documented, coherent and congruous, transparent and inherent the business;
- to regulate the regular performing of the activities by providing adequate control points and purposes and measures clearly defined;

- to encourage the involvement of multiple subjects in order to realize a proper separation of tasks between those who carry out the different phases of a process and to facilitate the contrast of the functions, in particular with reference to Sensitive Activities;
- to allow the traceability of the controls performed;
- to guarantee the continuous updating of them in order to transpose all the modifies that can take place in the corporate processes and into the organisational system.

The Procedures are constantly updated, also on proposal or notification from the SB, in order to guarantee the achievement of the purposes of the Model, without proceeding to its modification.

The Procedures are spread through a specific communication activity and are made available to all the Recipients through a publication on the corporate intranet. The related education is provided according to the annual education catalog.

All the employees have the obligations to be aware of the Procedures and to respect them while carrying out the tasks them given.

11. THE SYSTEM OF PROXIES AND POWERS OF ATTORNEY

The system of proxies and powers of attorney is defined by security features in order to prevent the commission of Offences (traceability of the Sensitive Activities) and allows the efficient management of the corporate business.

By "proxy" is meant the internal act of attribution of functions and tasks, reflected in the system of organisational communications. For "powers of attorney" is meant the unilateral legal transaction with which Gianni Versace attributes powers of representation in front of third parties. To those functions owners that need powers of representation, in order to accomplish their tasks, is given a general power of attorney which is coherent with their functionalities and management powers.

In order to prevent the commission of offences, the essential requirements for the system of proxies and powers of attorney are:

- all those subjects (including third parties with whom the company has business relationships) who have business relations with the Public Administration on behalf of Gianni Versace must be provided with a formal proxy;
- the proxies must combine each management power with the related liability and an adequate position in the organization chart and be updated as a result of organisational changes;
- each proxy must indicate all the powers given to the subject and to who has to report (body or individual);
- the management powers assigned must be aligned with the corporate purposes;

- the “general functional proxies” are exclusively conferred to subjects that have an internal power of attorney or a contract that describes the management powers and where necessary, are accompanied by a specific communication that extends the representation powers and where appropriate, eventual spending limits, always respecting the budget approval process.

The Supervisory Body periodically verifies, with the support of the Legal Department, the system of proxies and powers of attorney and their consistency with the entire system of organisational communications and recommending eventual changes in the event that the management power and / or the qualification does not correspond to the powers of representation conferred to the attorney or in case there are other anomalies.

12. THE SUPERVISORY BODY (SB)

12.1. Requirements and its composition

The article no. 6, subparagraph no. 1, letter b) of the Decree provides that the entity may be exempted from liability resulting from the commission of the offences indicated, if the management body has, among other things adopted models of organisation, management and control suitable for preventing the offences considered and entrusted with the task of supervising the functioning of and compliance with the Model and ensuring that it is updated to a body of the entity with autonomous powers of initiative and control.

As advised by the Guide Lines of Confindustria, the body structure is seen as the best guarantee to allow itself to accomplish its own tasks.

A further feature of the SB is represented by the fact that its own members have a deep knowledge and simultaneously have an authority and independence such as to ensure the credibility and unavoidableness of the SB and its functions.

The composition of the SB must therefore meet the following three requirements, which have been drawn up by the guidelines of the main trade associations and then confirmed by the jurisprudence as unavoidable for the purposes of effective and efficient implementation of the Model

- *Autonomy and independence*: it is necessary that to the SB is guaranteed hierarchical independence and that its members do not carry out management and operational activities that are subject to control by the same Body which, by making it participate in decisions and operational activities, could compromise its objectivity of judgement when verifying behaviors and the Model. This hierarchical independence must also be guaranteed through the inclusion of the SB as a staff unit in a high position within the corporate organisation. The reporting activity of the SB will therefore be addressed exclusively to the top management of the company, which is the Board of Directors. It should be reiterated that the requirements of autonomy and independence must be considered with reference to the Supervisory Body as a unique complex, and not with reference to individual members. In any case, the Guidelines of the trade associations, confirmed by the pronouncements of the jurisprudence, while reaffirming the need for an internal Body, suggest the possibility of finding members even among subjects outside the company. The Gianni Versace Supervisory Body requires the presence of two external parties. Moreover, the composition of the Supervisory Body and the qualification of its members must be such

as to ensure, both objectively and subjectively, the absolute autonomy of its evaluations and determinations. Finally, this requirement is guaranteed by the provision, as part of the annual budgeting process, of adequate financial resources allocated to the functioning of the Supervisory Body.

- Professionalism: requirement that has to be understood as the complex of professional, theoretical, technical and practical knowledge necessary to perform the functions assigned to the SB, which means that the member must have also knowledge about risk management and risk assessment, analysis of procedures, business organization, finance, audit and legal knowledge in order to understand how crimes can be committed. It is necessary for the SB to be capable of performing its functions and to guarantee the dynamism of the Model through updated proposals to the top management.
- Continuity of action: the SB, through its powers of investigation must continuously supervise the respect of the Model from the Addressees, to verify that its implementation has been efficient and ensure its continuous update, representing the whole workforce of Gianni Versace. The continuity of actions is guaranteed by inserting an internal asset within the SB.

With regard to the composition of the Body (on which, in the absence of a more precise legislative definition, there is a changing succession of opinions and orientations among the commentators and in the trade associations themselves), Confindustria suggests a series of alternative solutions, indicating, among the preferable ones, a mixed composition between subjects internal and external to the company, which are in any case without operational powers. Gianni Versace considers that adhere to the above solution, which is appropriate to conjugate better the requirement of autonomy with the one of professionalism and competencies: a multi- person Body made by an internal professional and two externals.

The choice that concerns the two professionals, experts in subjects connected to the Decree no. 231/2001 and at the same time free for economics and professional constraints with the company, ensures the necessary competence and of course the independence requirement.

Each member of the Supervisory Board must be endowed with professionalism, honourableness, independence, functional autonomy and continuity of action, as well as the necessary competence to carry out the tasks entrusted by the Decree.

The Board of the Directors will be in charge of controlling the persistence of the requirements of the SB members. In order to allow the SB to do its functions, it has been provided that the SB can request the services of external consultants (i.e., lawyers specialized in criminal offences or consultancy companies regard specific issues) and also internal. Regarding the health and safety in the workplaces issues, the SB will have to use all the resources activated for the management of the related aspects.

12.2. The tasks and the powers of the Supervisory Board

The tasks assigned to the Supervisory Board are indicated within the article no. 6, subparagraph 1, letter b) of the Decree and are represented by the following expressions:

- (i) supervise the functioning and observance of the Models;
- (ii) updating the Models.

The activities carried out by the SB cannot be delegated to other corporate bodies. The liability of its effectiveness relapses on the Board of Directors, which is the body that the law identifies as main responsible for the implementation of the Model.

The SB does not have management or decisional powers related to the other corporate activities, and neither organisational, structuring changes or sanctioning powers.

In order to carry out the tasks assigned to it, the Supervisory Board is provided with all the powers of initiative and control over all the Company activities and personnel levels, and reports exclusively and directly to the Board of Directors, in order to accomplish effectively the duties provided by the Model. The SB adopts own rules of operating through the adoption of an own internal Regulation which is shared with the Board of Directors.

As a fulfilment of the institutional supervisory activities referred to point a), the Supervisory Body of Gianni Versace is responsible for carrying out the following more specific activities:

- a) to prepare an annual plan to verify compliance with and operation of the Model (Supervision annual program);
- b) to carry out targeted checks on specific operations or specific acts, carried out within the areas of Company activity identified as at risk of crime;
- c) to prepare for each investigation and information activity the result which will be indicated in the book of activities of the SB;
- d) to collect, elaborate and preserve the relevant information for the Model and to update the list of information that mandatorily must be transmitted or kept by the SB;
- e) to consider the eventual notifications of possible violations or inobservance of the Model;
- f) to conduct the investigations meant to find possible violations by cooperating with the other functions, such as Internal Audit, Compliance, Legal and HR;
- g) to report violations ascertained by the competent corporate body for the initiation of disciplinary proceedings;
- h) to verify that the violations of the Model are effectively and adequately sanctioned;
- i) to cooperate with the Company in order to:
 - assess the adequacy of the staff education programs and the content of the periodic communications that have to be sent to the Recipients and to the Corporate Bodies, aimed to give them the necessary awareness and knowledge of the Decree no. 231/2001 which competence is attributed to Gianni Versace's Human Resources Direction;
 - to monitor the appropriate initiatives to spread the knowledge and understanding of the model for all the Addressees and to promote the adoption of new ones if the first result inadequate;
 - to find promptly, also with the help of external professionals, the requests for any clarifications coming from the corporate bodies or functions and related to the Model;
- j) to control the existence and effectiveness of the required documentation related to the Model for the different categories of crimes;

- k) to refer periodically to the Corporate Bodies of Gianni Versace the news about the implementing of the dispositions mentioned within the Decree.

Regarding the fulfilment mentioned by letter b), the update of the Model is approved by the Board of the Directors, which has, according to article no. 6, subparagraph 1, letter a), the responsibility for its implementation.

The SB guarantees the update activities of the Model and performs the following activities:

- monitoring the evolution of the law and of the business structure in order to check possible updates needed by the Model;
- to prepare suitable measures to keep the mapping process updated by coordinating with the other functions;
- monitoring the adequacy and updating of the protocols respecting the needs of crimes prevention and verifying that every part that gives its own contribute for forming the Model remains responsive and adequate to the purposes of the Model as identified by law, by using information and cooperating with the owners of the sensitive activities; it must be specified that the control activities are subject to the primary responsibility of the operational management and are considered an integral section of each business;
- to evaluate, in the case of commission of crimes and significant violations of the Model, the opportunity to introduce changes to the Model itself;
- to propose the identified changes to the Board of Directors;
- to verify the effectiveness and functionality of the Model changes adopted by the Board of Directors.

In order to guarantee the maximum effectiveness to its action, the SB has free access, without the need for any prior authorization, to any Company's document that the SB considers relevant and/or necessary for the performance of its functions.

The Supervisory Body determines its annual budget and submits it to the Board of Directors for approval, without prejudice in any case to the right to request the extension of the budget, for specific needs proposed from time to time, in order to always be in a position to perform its duties in full economic and managerial autonomy.

12.3. Appointment, Revocation and Withdrawal of Supervisory Body Members

The appointment of the Supervisory Body and the revocation of its mandate are a responsibility of the Board of Directors, which has the faculty to delegate the legal representatives of the company to provide for the necessary replacements in case of resignation of the Supervisory Body and reporting it to the same Board of Directors which will have to ratify the new appointment.

The members of the SB remain in office for three years from the date of their appointment and are always eligible for re-election. They are chosen from subjects with an ethical and professional profile of unquestionable value and must not be relationships with the members of the Board of Directors.

Company employees and external professionals can be appointed members of the Supervisory Body. These last must not have relations with the Company such as to integrate hypotheses of conflict of interest.

The fees of the members of the Supervisory Board, both internal and external to the Company, do not constitute hypotheses of conflict of interest.

It cannot be appointed as member of the SB and if appointed decays, the interdicted, the incapacitated, the bankrupt or who has been convicted, even with a sentence that is not yet final or issued pursuant to article no. 444 et seq. of the Code of Criminal Procedure (so called “plea deal”), to a penalty that implies an interdiction, even temporary, from the public offices or an inability to exercise managerial tasks, or has been convicted, even with a sentence that is not yet final or issued pursuant to article no. 444 et seq. of the Code of Criminal Procedure (so called, “plea deal”) for having committed one of the crimes indicated by the Decree no. 231/2001.

If a cause for revocation occurs in the course of the assignment, the member concerned has to inform immediately the other members of the SB and the Board of the Directors.

The eligibility requirements and / or the forfeiture hypotheses are also extended to the subjects who help the SB through its assignments, so that the SB, in carrying out its duties, will not be able to be helped by subjects who pay in the conditions of ineligibility and / or forfeiture mentioned above.

In addition to the loss of the eligibility requirements, the following causes constitute further reasons of termination of the office:

- the waiver, to be sent to the Board of Directors and to the other members of the SB indicating the reasons for such choice and sent at least one month earlier the date on which the waiver will take effect;
- death or subsequent inability or impossibility to exercise the assignment;
- the termination, for any reason or cause, of the position held in Versace.

The Chairman of the Supervisory Body, or another member in the event of cessation of the Chairman, must promptly notify to the Board of Directors that occurred of one of the aforementioned causes from which derives the need to replace a member of the SB and the Board of Administration will have to replace promptly the discontinued component.

In the event of renunciation, subsequent incapacity, death, revocation or forfeiture of the President of the SB, the oldest member takes over until the date on which a new resolution of the Board of Directors will appoint a new chairman.

The Board of Directors can revoke, through a board resolution, after hearing the opinion of the Board of Auditors, the members of the Body at any time but only for just cause.

Below, are mentioned the conditions that justify revocation for just cause:

- the verification of a serious breach by the Supervisory Body in the performance of its duties;
- the non-communication to the Board of Directors of the existence of a conflict of interests that avoids the maintenance of the role as member of the SB;

- the Company's conviction, which has become final, or a sentence to apply the penalty at the request of the parties pursuant to article no. 444 of the Code of Criminal Procedure (so called, "plea deal"), if it appears from the deeds that the Supervisory Body has failed or failed to exercise sufficient vigilance;
- violation of the confidentiality obligations regarding the news and information acquired in the exercise of the functions of the Supervisory Body;
- for the subject who has a subordinate relationship, the initiation of a disciplinary process for facts from which the sanction of dismissal may derive.

If the revocation occurs without a just cause, the revoked member can request to be immediately reinstated in the office.

Each member can withdraw from the assignment at any time with written notice of at least 30 days, to be communicated to the Board of the Directors by registered letter with return receipt.

12.4. The reporting activity of the Supervisory Body

In order to guarantee a full autonomy and independence in accomplishing its functions, the SB has to communicate directly to the Board of Directors and to the Board of Auditors.

The SB reports to both the Board of Directors and Board of Auditors about the implementation of the Model and the results of the monitoring activities with the following methods:

- at least once per year, the SB has to communicate to the Board of Directors with a written report the monitoring activities, the issues arisen and what should be the next steps in order to improve the Model;
- periodically the Board of Auditors and the SB have to meet to discuss hypothetical breaches realized by persons in a top position;

The SB informs periodically also the CEO. Furthermore, the Board of Auditors can require in any moment to view the books of the SB.

After each meeting must be written a report and its copy will be kept by the SB and by the bodies involved.

The SB will coordinate with the other competent corporate functions for the different specific profiles and particularly, but not exclusively, with the Directions of HR, Finance, Administration & Control, Legal Affairs, Corporate, Internal Audit and Compliance of Gianni Versace.

The Board of Auditors, the Board of Directors and the CEO have the faculty to convene in any moment the SB and this one has the same faculty when urgent problems arise.

12.5. Information flows to the Supervisory Body

The Decree no. 231/2001 indicates the requirements, the obligations and the information to the SB that the Model must satisfy.

The information flows concern the information and the documents that must be taken to the attention of the SB, according to the protocols and to the other dispositions, which define the Model.

All the corporate structures have an information obligation to the SB, according to the modes listed below: The obligation is extended to the following information flows:

- general information flows;
- specific information flows for each process relevant to the Decree.

All employees, managers and all those who cooperate in the pursuit of the Company's purposes are required to inform the Supervisory Body, whenever the event occurs, in order to deal with any exception, violation or suspected violation of their knowledge:

- behavioral rules indicated in the Code of Ethics and in the Model;
- behavioral principles and executive modes regulated by protocols and corporate procedures relevant to the Decree.

For such purposes has been constituted a communication channel, which allows the Company's personnel to send each information they want to report; such modality of reporting is meant to guarantee the anonymity in order to prevent those who report from retaliation conducts.

The SB results informed through specific notifications received by an E-mail box organismodivigilanza@versace.it from the Recipients, related to events that could generate liability of Gianni Versace, according to the Decree. The following explanations are related to a general framework:

- any report relating the commission or a reasonable belief of a commission of Crimes or general conduct not adequate with the rules of conduct established in this Model must be collected;
- if an employee wants to report a violation (or a potential violation) of the Model can report to his/her hierarchical superior. If the report does not give the hoped results or if the employee does not feel comfortable in communicating the violation to his/her hierarchical superior has to send an E-mail to organismodivigilanza@versace.it which guarantees always the confidentiality of the communication;
- the SB assess the notifications received. The eventual measures will be applied by the management body or by the Board of Directors.

In addition to the reports relating to general violations described above, must be sent to the SB the information concerning:

- the notifications which constitute potential interest relevant to the Decree no. 231/2001 and capable of damaging the Company's security and image;
- the updated Statute of the Company;
- the Certificate of incorporation;
- the current system of proxies and powers of attorney;
- the Reports of the Board of Directors which can assume relevance for the Model, according to article no. 231/2001;
- notifications of judicial acts against the Company, measures and / or news from judicial police bodies or from any other authority (also administrative), communications from Independent Administrative

Authorities (Competition and Market Authority, Guarantor for the Protection of Personal Data) which indicate the development of the investigations, also against unknown people, for the offenses referred to the Decree from which could rise a liability for the Company, without prejudice to the obligations of confidentiality and secrecy legally imposed;

- the control activities carried out by the Heads of the Corporate Functions from which emerged facts, acts, events or omissions with critical profiles in compliance with the provisions of the Decree and the Model;
- request of legal assistance sent from the managers and / or by the employees in case of initiation of a judicial process for the offences related to the Decree;
- the disciplinary proceedings carried out and any penalties imposed (including the measures against Employees), or the archiving measures of the accompanied proceedings and when possible, accompanied also by a copy of the documents and the reasons for the archiving measure;
- the reports of serious accidents or occupational diseases that integrate the crime of manslaughter or serious or very serious injuries occurred in the workplace;
- the certification of the adequacy and effective application of the procedures during the period to which the financial statement information is related to, as well as their correspondence to the results of the accounting books and their suitability to provide a true and correct representation of the Company's economic and financial position;
- the reports regarding environmental accidents or situations that have a potential impact on environmental matters which are relevant to Legislative Decree no. 121/2011;
- the decisions inherent the requests, provisions and utilization of public funding.

The SB, during the activity of supervision arisen as consequence of the notification, will act in such way that the reporting employee will always be guaranteed to not be subject to retaliation, discrimination or penalizations, ensuring his or her anonymity and the respect of the law on the personal data, with an exception when Gianni Versace's rights could be damaged. The Italian law establishes, in order to protect the reporting employee from the prohibited conducts mentioned above, the possibility to report the conduct to the National Inspectorate of Work, for the measures for which it is competent. The same right is given also to the Syndicate. Furthermore, the dismissal (seen as a retaliation) is invalid like also the changes of mansions, according to article no. 2103 of the Civil Code and each other measure of retaliation adopted against the reporting employee⁶.

The members of the Supervisory Body must not report outside Gianni Versace's perimeter the information acquired in the exercise of their functions, except for legal obligations.

All the information, both general and specific, must be sent in written form and addressed to the E-mail box of the Supervisory Body (organismodivigilanza@versace.it).

⁶ In case of controversies related to the imposition of disciplinary sanctions, or to demotions, dismissals, transfers or submission of the reporting person to another organisational measure having negative effects, direct or indirect, on the working conditions, subsequent to the presentation of the report, it is responsibility of the employer to demonstrate that the measures imposed are based on reasons unrelated to the report itself.

Each information and report provided by the Model is conserved by the SB in a specific IT achieve and or in a papery storage in compliance with Legislative Decree no. 196/2003 as updated and integrated by the new European Regulation on the Protection of Personal Data (GDPR).

13. WHISTLEBLOWING

13.1. Whistleblowing

With Legislative Decree No. 24 of March 10, 2023, the Council of Ministers implemented Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on "the protection of persons who report suspected violations of Union law and laying down provisions regarding the protection of persons who report breaches of national laws" (hereinafter also "Whistleblowing Decree"). This measure is aimed at the creation of a single discipline for the protection of whistleblowing, for the protection of both the public and private sectors, and involved, on the one hand, the repeal of: a) Article 54-bis of Legislative Decree No. 165 of March 30, 2001; b) Article 6, paragraphs 2-ter and 2-quater, of Legislative Decree No. 231 of June 8, 2001; c) Article 3 of Law No. 179⁷ of November 30, 2017; and, on the other hand, the updating of paragraph 2-bis of the aforementioned Article 6.

The provisions of the Decree in question apply to "private sector entities," which: (i) have employed, in the last year, an average of at least fifty subordinate workers with permanent or fixed-term employment contracts, or (ii) fall within the scope of application of Legislative Decree 231/2001 and have adopted organization and management models provided for therein, even if they do not exceed the average number of subordinate workers indicated above.

Specifically, today's Article 6, paragraph 2-bis provides that, pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, the Organization, Management and Control Models shall provide for.

- their own internal reporting channels, which guarantee, including by encryption tools, the confidentiality of the identity of the reporting person, the person involved and the person in any case mentioned in the report, as well as the content of the report and the related documentation;
- the prohibition of acts of retaliation, identified in any behavior, act or omission, even if only attempted or threats, made on account of the report, the report to the judicial or accounting authority or public

⁷ Recording the "Provisions for the protection of the complainants of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship," by which the Legislature, in an initial effort to standardize the provisions provided for the public sector, had introduced specific provisions for the entities recipients of Legislative Decree 231/2001 and inserted within Article 6 of Legislative Decree 231/2001 the three paragraphs bis), ter) and quater), two of which have been abolished to date and replaced by the new provision.

disclosure and which causes or may cause the reporting person or the person who made the report, directly or indirectly, unfair damage⁸;

a penalty system, adopted pursuant to paragraph 2 (e) below, against those who violate the measures for the protection of the whistleblower, as well as those who maliciously or grossly negligently make reports that turn out to be unwarranted. In disputes related to the disbursement of disciplinary sanctions, job demotion, dismissals, transfers, or subjecting the reporter to other organizational measures with negative effects on working conditions, it is up to the employer to prove that such measures were taken on the basis of reasons unrelated to the report (so-called "reversal of the burden of proof in favor of the reporter").

The Company in order to ensure the effectiveness of the whistleblowing system ensures the timely information of all employees and individuals who collaborate with the same with reference to the knowledge, understanding and dissemination of the objectives and the spirit in which the report must be made.

In particular, the object of the reports should be violations⁹ of national or European Union regulatory provisions that damage the public interest or the integrity of the public administration or private entity, of which they have become aware in a public or private work context. However, the following will not be reportable:

⁸ By way of example only, Article 17 lists a whole series of acts that may constitute "retaliation," namely: a) dismissal, suspension or equivalent measures; b) demotion in grade or non-promotion; c) change of duties, change of place of work, reduction of salary, change of working hours of work; d) suspension of training or any restriction of access to it; e) negative merit notes or negative references; f) the adoption of disciplinary measures or other sanction, including fines; g) coercion, intimidation, harassment or ostracism; (h) discrimination or otherwise unfavorable treatment; (i) failure to convert a fixed-term employment contract into an employment contract of indefinite duration, where the employee had a legitimate expectation of such conversion; (l) failure to renew or early termination of a fixed-term employment contract; (m) damage, including to the person's reputation, particularly on social media, or economic or financial harm, including loss of economic opportunities and loss of income; (n) placement on improper lists on the basis of a formal or informal sector or industry agreement, which may result in the person's inability to find employment in the sector or industry in the future; (o) the premature termination or cancellation of a contract for the provision of goods or services; (p) the cancellation of a license or permit; (q) a request to undergo psychiatric or medical examinations.

⁹ By violations, specifically are meant: conduct, acts or omissions that damage the public interest or integrity of the public administration or private entity and consist of: 1) administrative, accounting, civil or criminal offenses that do not fall under numbers 3), 4), 5) and 6); 2) illegal conduct relevant under Legislative Decree June 8, 2001, no. 231, or violations of the organization and management models provided for therein, which do not fall under numbers 3), 4), 5) and 6); 3) offenses that fall within the scope of application of European Union or national acts indicated in the annex to this decree or national acts that constitute implementation of European Union acts indicated in the annex to Directive (EU) 2019/1937, although not indicated in the annex to this decree, relating to the following sectors: Public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems; 4) acts or omissions affecting the financial interests of the Union referred to in Article 325 of the Treaty on the Functioning of the European Union specified in relevant secondary legislation of the European Union; (5) acts or omissions affecting the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including violations of the Union's competition and state support rules, as well as violations affecting the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law; (6) acts or conduct that frustrates the object or purpose of the provisions of Union acts in the areas indicated in (3), (4) and (5).

Reports must provide useful elements to enable the responsible parties to carry out due and appropriate checks and investigations (Article 6, paragraph 2-bis, Legislative Decree 231/2001).

13.2. The Whistleblowing procedure

The Company, in order to ensure the effectiveness of the Whistleblowing system, has adopted a specific Group procedure entitled “Whistleblowing Policy” (hereinafter also, “Policy”) for the management of reports made by employees and third parties, which makes employees aware of the existence of special communication channels that allow them to submit any reports, based on precise and agreed factual elements.

The Policy adopted by the Company is aimed at transmitting, receiving, analyzing and processing whistleblowing reports and the management of the relevant investigation, based on substantiated information, in compliance with current laws applicable to the whistleblower, the reported facts and personal data protection. In particular, the objectives promoted are aimed at instilling responsibility in employees and other stakeholders to report illegal conduct in order to allow for timely detection and effective response to wrongdoing committed within, by or for the Company, prevent and reduce harm to the Company, enabling prompt detection of possible commission of crimes and their correction for continuous improvement of compliance and risk management, and convey a public sense of employment for the integrity and civil responsibility of the Company in order to strengthen corporate reputation as well.

Any alleged wrongdoing (behaviour, act or omission) committed within, by or for the Organization can be reported through the Whistleblowing channel. For example but not limited to, violations may include the following:

- Violations of the Prada Group's Code of Ethics, its Policies and core values;
- Violations of laws and regulations;
- Violations of orders issued by Public Authorities;
- Violations of Model 231 and company procedures;
- Violations of human rights;
- Conduct that causes damage or harm, even if only in terms of image, to the Prada Group;
- Administrative, accounting, civil or criminal wrongdoings;
- Offenses in the areas of public procurement, services, products and financial markets and prevention of money laundering and terrorist financing, product safety and compliance, transportation safety, environmental protection, food safety and animal health and welfare, public health, consumer protection, privacy and data protection, and network and information system security.

Any reports that, based on concrete elements, infringe on the principles regarding diversity, equity and inclusiveness, the core elements of social sustainability on which the Prada Group is based for the enhancement of everyone's qualities and for the creation of an inclusive work environment that fosters the expression of everyone's potential, will also be analyzed and evaluated.

Information on reportable violations shall not include:

- disputes, claims or demands related to a personal interest of the whistleblower or of the person who has filed a complaint with the Judicial Authority that pertain exclusively to his or her own individual working relationships or to working relationships with hierarchical superiors and not infringing the rights protected by the Group's Code of Ethics;
- news that is patently unsubstantiated or acquired only on the basis of poorly reliable indiscretions or rumours;
- information that is already totally in the public domain or subject to special laws (Consolidated Law on Banking, Consolidated Law on Finance, anti-money laundering, etc.). Reports referring to claims, complaints or grievances of a commercial nature are not covered by this policy. If non-relevant reports are received, after an initial assessment, and with the explicit consent of the person who reported the fact, the same may be directed to the person or other channel more appropriate to the handling of such report or through the channel chosen by the whistleblower, in coordination with other relevant offices, if appropriate.

The reports can be send by using the *following channels*:

- IT platform accessible from the www.pradagroup.com website and from the company intranet7 (used both for written and oral form, the latter through the voice messaging system contained in the web platform);
- E-mail to whistleblowing@pradagroup.com
- Ordinary mail, to the address: Prada S.p.A. via Antonio Fogazzaro 28, 20135 Milan (Attn: Internal Audit Department)
- whistleblowing@pradagroup.com

In addition - again with the same confidentiality guarantees of the identity of the reporting person, the person involved and the person in any case mentioned in the report, as well as the content of the report and the related documentation - any reports may be received via the specially established e-mail address organismodivigilanza@versace.it (in the manner described in Section 12.5).

The Company shall act in such a way as to guarantee whistleblowers against any form of retaliation or discriminatory behavior, direct or indirect, for reasons related, directly or indirectly, to the report.

13.3. Disciplinary measures against those who are the report addressees

For the purposes of the Whistleblowing provisions, please refer to the provisions of the Policy identified by the Company.

14. SPREADING OF THE MODEL: COMMUNICATION, INFORMATION AND EDUCATION OF THE RECIPIENTS

14.1. Preamble

In order to ensure widespread dissemination and effective knowledge of this Model and the Code of Ethics, Gianni Versace has the task of carrying out accurate communication and training to all Recipients, so as to increase their awareness of the requirements they must necessarily comply with and the possible consequences that may arise from the occurrence of unlawful conduct.

In order to an efficient implementation of the Model, it is a purpose of Gianni Versace to guarantee to all the Recipients of the Model a correct knowledge and the diffusion of the conduct rules contained. Al the personnel and the persons in a top position, consultants or business partners must have a fully knowledge about the purposes and transparency which the Model refers to and the modalities which the Company adopts to reach them.

A particular purpose is represented by the need to ensure an effective knowledge of the provisions of the Model

and the reasons behind the effective implementation of resources whose activities have been identified at risk. Such provisions are directed to the current assets of Gianni Versace as also to the ones to be implemented.

14.2. Communication

The adoption of this Model (to be considered also in its various updates) is communicated to all employees in force at the time of its adoption. Specifically, the communication is arranged through:

- acknowledgment via Workday system;
- spreading of the Model on computer media such as share folders on the company network, which allows at any time, from any terminal of the company network, to consult the Model and the operating procedures provided for by it and thus allowing for constant monitoring of the methods of action and accomplishment of the specific activity.

New employees are given an employee handbook indicating the link where to find the Code of Ethics, the Model and the different company procedures (some of which must be signed for acknowledgement through the Workday system), with which to ensure that they have the knowledge considered of primary importance.

The above mentioned individuals, upon communication of this Model, undertake, in the performance of their duties pertaining to the areas relevant for the purposes of the Decree and in any other activity that may be carried out in the interest or to the advantage of the Company, to comply with the principles, rules and procedures contained herein.

As far as Third Party Recipients are concerned, the head of the Legal Department and the head of the department to which the contract refers determine the methods of communication of the Model and the Code of Ethics, which is an integral part of it. In particular, in contracts entered into by the Company with Third Party Recipients, specific clauses are included that stipulate the obligation to comply with the Model and the Code of Ethics with application of the relevant sanctions in case of violation.

14.3. Education

In order to guarantee the spreading and an effectiveness knowledge of the Decree no. 231 and of the Model, Gianni Versace has the duty to implement an important educational training for its personnel.

The training activity is different for each category of employee since they are divided by addressees' qualifications.

All training programs will have a minimum common content consisting of the illustration of the principles of Legislative Decree 231/2001, of the elements constituting the Model, of the single types of offenses envisaged by the Legislative Decree no. 231/2001 and of the behaviors considered sensitive in relation to the execution of the aforementioned crimes.

In addition to this common matrix, each training program will be modulated, where necessary, in order to provide its users with appropriate tools for fully compliance with the provisions of the Decree in relation to the area of operation and the duties of the recipients of the program itself.

The training activity will be carried out with periodically deadlines and repeated in the occasion of mansion changes that have an impact on the behavior relevant for the Model and to the additions that modify the Model.

The participation to the training programs mentioned above is mandatory and the control about the frequency to the classes is monitored by the HR Direction which informs the SB.

The training education can be provided by courses kept in class or *e-learning* courses which content is updated simultaneously to the law.

15. VERIFICATION ON THE IMPLEMENTATION OF THE MODEL

The Model will be the purpose of the verification and monitoring activities of the effectiveness and efficacy of the Model that will be promoted on the basis of the supervision plan prepared by the SB and reported to the Corporate Bodies as specified above.