CODE of ETHICS

Adopted by the Board of Directors on 03.04.12
INTRODUCTION

The corporate mission of Valentino Fashion Group S.p.A. (hereafter referred to as the “Company”) is to be protagonist in the Fashion world in the sectors of Fashion and Luxury, delivering maximum quality in every market segment served and constant attention to the needs of a continually evolving cosmopolitan customer, seeking excellence, with a continuous dialogue between passion and experience, through:

- **Innovation, creativity and quality**
- **Differentiation and selection**
- **Flexibility and efficiency**
- **Continuity and innovation**
- **Consumer Centrality**

and by fully respecting the ethical principles of correctness, loyalty and transparency.

Valentino Fashion Group S.p.A. and the companies controlled by it in accordance to art. 2359, paragraphs 1 and 2 of the Civil Code and art. 26 of the Legislative Decree 127/1991 (hereafter referred to as the “Group”) represent an international reality operating in a large number of institutional, economic, political, social and cultural contexts in continuous and rapid evolution.

All the activities of the Group shall be carried out in compliance with the law, in a framework of fair competition, with honesty, integrity, correctness and in good faith, respecting the legitimate interests of customers, employees, commercial and financial partners and the communities in which the Group is present with its activities.

All those who work in and for the Group, without distinctions or exceptions, are committed to observing and having observed such principles in the scope of their own functions and responsibilities. The conviction of acting to the advantage or in the interest of the Group shall in no way justify the adoption of any behaviour in contrast with such principles.

Because of the complexity of the situations in which the Group operates it is important to clearly define the set of values that the Group recognizes, accepts and shares and the set of responsibilities that the Group assumes against all subjects both internally and externally. This is the reason for drawing up this "Code of Ethics" (hereafter referred to as the "Code"), which embraces a set of principles and rules whose compliance by its recipients is of fundamental importance for the good functioning, reliability and reputation of the Group.

The Code of Ethics, drawn up also pursuant to and in accordance with the Legislative Decree 231/2001 aims to characterize with principles of correctness, fairness, integrity, loyalty and professional rigour all operations, behaviours and work practices carried out within the Group, and with external individuals, placing at the centre of attention the respect for the laws and regulations of the Countries in which the Group operates, as well as the company procedures.

The Board of Directors of Valentino Fashion Group S.p.A., conforming with the most evolved standards of company governance, adopts the Code in order to abide to the above-mentioned ethical principles.

The Group attentively checks compliance with the Code of Ethics, providing adequate instruments of information, prevention and control and ensuring transparency in the operations and behaviours within the company, intervening, where appropriate, with corrective actions and adequate sanctions.
The Group guarantees the widest possible divulgation of the Code of Ethics to all of its recipients and to the public in general, including through its publication on the Internet sites of the Group (site of the Parent Company: www.valentinofashiongroup.com).
1. GENERAL PRINCIPLES

1.1 Area of application and recipients

The Code applies to all the companies of the Group, in Italy and abroad, and is therefore binding for all aspects of behaviour of all its “Recipients”, without prejudice to the mandatory laws applicable to the single companies of the Group.

All of those to whom this Code of Ethics applies are defined as “Recipients” and they are:

- the directors and members of the corporate bodies of all companies of the Group, the managing directors, as well as any other individual in an apical position, by which term is meant any person who holds offices of representation, administration or direction or exercises, also de facto, the management and control of the company or of one of its units or divisions (the “Corporate Members”);

- all the employees of the companies of the Group, including temporary or part-time workers and equivalent workers (the “Employees”);

- all those parties who, directly or indirectly, permanently or temporarily, enter into relations with the Group itself, or, in any case, operate to achieve its goals, in all the Countries in which the Group operates (the “Collaborators”);

All those parties who in their relations with the Group, permanently or temporarily, provide the Group – in whatever form – with goods and/or services (the “Suppliers”) are also required to comply with the norms of this Code – with regard to the parts applicable to them.

All the recipients are required to be familiar with the Code of Ethics, to comply with its provisions both in relations with each other (so called internal relations), and in relations with third parties (so-called external relations), so as to actively contribute to its implementation and report any shortcomings to the competent reference function.

All the actions, operations and negotiations carried out and, in general, the behaviours of the employees of the Group and the Recipients when carrying out their work activities or services rendered in favour of and/or on behalf of the Group shall therefore be characterised by the maximum correctness from the point of view of the management, completeness and transparency of information, legitimacy both formally and substantially, and clarity and truthfulness in accounting verifications in accordance with the current laws and internal procedures.

In particular:

- The Company Representatives shall concretely apply the values and principles contained in the Code, by assuming all responsibilities towards both internal and external counterparts and reinforcing trust, cohesion and group spirit.

  The members of the Board of Directors, in establishing company strategies and goals, proposing investments and realizing projects, as well as any decision or action relating to the management of the companies of the Group, shall follow the principles contained in the Code.

- The Employees of the Group, without prejudice to their need to comply with current laws and norms, shall conform their actions and conduct to the principles, goals and commitments provided for by the Code.

In order to ensure full compliance with the Ethical Code, any Employee that learns of any situation that, actually or potentially, may represent a violation of the Code of
Ethics, shall promptly notify his/her direct function and/or service manager and/or the Supervising Organism referred to in point 1.6 below. Each employee shall provide to the responsibilities assigned to him/her with adequate professional skills.

1.2 Commitments of Valentino Fashion Group S.p.A.

The Company guarantees, through the designation of specific internal functions:

- to fully divulge the Code within the companies of the Group and its actual application by them, also through the inclusion, in the respective contracts, of appropriate clauses that state the obligation to comply with its provisions;
- to update the Code in order to adapt it to the evolution of civil sensitivity, company context and of laws and regulations relevant to the Code itself;
- to carry out inspections according to any violation reported on the norms of the Code;
- to evaluate the facts with the consequent application, in the case of an established violation, of appropriate sanctions;
- to ensure that no one may suffer retaliation of any kind for having reported possible violations of the Code or of the reference norms.

1.3 Obligations of the Employees

Every employee is required to know the requirements contained in the Code and the specific rules that regulate the activity carried out in the context of his/her function. The employees of the Group are required:

- to abstain from any behaviour contrary to such rules;
- to consult his/her own superiors and/or the Supervising Organism in case of need for any clarification regarding application of the rules;
- to promptly report to his/her own superior and/or Supervising Organism any fact, directly witnessed or reported by others, regarding possible violations or any request made to violate the provisions of the Code.

1.4 Obligations of the Division Managers and Corporate Functions

Each corporate Unit or Division Manager (by which is meant any individual who exercises, also de facto, the management and/or control of a company unit or division) shall:

- conform his/her behaviour to the principles provided for in this Code and its reference procedures, and demand full compliance with them by Employees and Collaborators. For the purposes of this Code, each manager monitors Employees and Collaborators subject to his/her direction, coordination and control and adopts the necessary measures for preventing any violation of this Code;
- operate in such a way that Employees and Collaborators understand that compliance with the requirements of the Code, as well as the procedures and safety regulations, constitute an essential part of work performance quality, and that the relative violation may result into a breach of contract and/or disciplinary offence, in conformity with the regulations in force;
- carefully select, according to his/her own competence, internal and external collaborators so as to avoid assigning offices to persons who do not inspire full confidence in their commitment to comply with the requirements of the Code and the procedures;
- adopt immediate corrective measures when required by the situation, as well as implement and promote the adoption of appropriate measures to avoid the recurrence of any violation;
- promptly notify the Supervising Organism with his/her own observations as well as any information referred by his/her own collaborators regarding potential or actual violations of this Code by an Employee or Collaborator.

1.5 Application of the Code with regard to third parties

All Recipients, according to their competences, in the context of relations with external individuals, shall:
- appropriately inform them of the commitments and obligations imposed by the Code;
- demand compliance with the obligations that directly regard their activities;
- adopt appropriate internal and, if within their responsibility, external initiatives, when there is a failure by third parties to fulfil the obligation to comply with the rules of the Code.

1.6 Reference Bodies for the application of the Code

The Reference Bodies for the application of the Code are:
- the Supervising Organism of the various Companies of the Group in accordance to the Legislative Decree 231/01, whose duty is to examine reports of any possible violation and to promote the most suitable preliminary inquiries and verification, by using the competent facilities of the Group. Said organism shall consequently have the task of evaluating and notifying the competent company bodies on the nature and gravity of the violation and the Management of Human Resources on the verification results for the corrective measures to be taken. The Supervising Organism shall also constitute the point of reference for interpretations of important aspects of the Code.
- the Director of Human Resources of the various Companies of the Group, whose task is to promote the knowledge of the Code within the Group and apply – in coordination with the Supervising Organism – the appropriate disciplinary measures in the event of any violation of the Code;
- the Head of Internal Control of the Parent Company, whose task is to decide, in agreement with the other competent bodies, the operational procedures for the notification of possible violations of the Code.

1.7 Contractual value of the Code

Compliance with the norms of the Code shall be considered an essential part of the obligations of the Employees of the Companies of the Group, also pursuant to and in accordance with art. 2104 of the Civil Code.

Violation of the norms of the Code may constitute failure to fulfil the primary obligations of the employment relationship or disciplinary offence, with all legal consequences, also regarding the maintenance of the employment relationship, and may result in claims for compensation for damages caused by the same violation.

For the Recipients who are not employees of the Company compliance with the Code constitutes a condition for the continuation of the professional or collaborative relationship existing with the Group.
2. CONDUCT OF BUSINESS PRACTICES

2.1 General management of business practices

The Group, in its business relations, follows principles of loyalty, correctness, transparency, efficiency and openness to the market.

The Recipients, who act in the name of and on behalf of the Group itself, in business relations of interest to the Group and in relations with the Public Administration, shall have a conduct that is ethical and respectful of the law, characterized by maximum transparency, clarity, correctness and efficiency.

In commercial and promotional relations, the Recipients shall equally have a behaviour which is in line with the business policy of the Group and which shall never result, even if in the pursuance of a corporate objective, into acts contrary to the law, regulations in force, or corporate procedures adopted with reference to the single functions.

2.2 Presents, gifts and other benefits

In relations with Customers, Suppliers and third parties in general, the following shall not be admitted: offers or concessions, either direct or indirect, of money, presents or benefits of any kind delivered in an individual capacity in order to obtain undue advantages – real or apparent – of whatever nature (for example, promises of economic advantages, favours, recommendations, promises of offers of employment...) or in any case intended to acquire or reserve a preferential treatment in the conduct of any activity linked to the Company.

In any case acts of commercial courtesy are allowed, provided they are of moderate value and executed in compliance with applicable legislation, and in any case, so as not to compromise the integrity and reputation or influence the autonomy of judgement of the Recipient.

The Recipient who receives gifts, which are beyond the limits of normal relations of courtesy and not of moderate value, shall refuse them and immediately inform his/her superior and/or the Supervising Organism.

2.3 Conflict of interest

The Recipients shall avoid situations and/or activities that may lead to any conflict with the interests of the Group or might interfere with their ability to make impartial decisions, in order to safeguard the best interest of the Group.

By way of example, without being exhaustive, a conflict of interest exists in the following cases:

- sharing in profits and losses (evident or hidden, direct or indirect) of the Recipients in activities of suppliers, customers, competitors and, in any case, with external individuals trying to enter in business with the Group;

- exploitation of the Recipients' own functional position in the pursuance of interests in conflict with those of the Group;

- use of information, acquired when carrying out work activities, to the Recipients' own advantage or that of third parties and, in any case, in conflict with the interests of the Group;
- assumption of corporate posts or pursuance of work activities, of whatever kind and even indirectly, with customers, suppliers, competitors and third parties in general in conflict with the interests of the Group.

- purchase or sale of shares (of companies of the Group or external companies) when, in relation to their own work, the Recipients are in possession of important information which is not yet of public domain. In any case the negotiation of shares of companies of the Group by important persons shall always be carried out with absolute transparency and correctness, complying with the market information requirements provided for by the law;

- assumption of a post as mediator, broker or other intermediary on behalf of third parties in operations concerning the Group and its interests.

If a situation of conflict, even if potential, with the interests of the Group occurs, the Recipients shall immediately notify their superior and, in more important cases, the Supervising Organism, and abstain from any activity connected with the situation that is the source of the conflict.

In relations with the Group or third parties, the Recipients shall act in accordance with ethical and legal norms, with explicit prohibition of resorting to illicit favouritism, collusive practices, corruption or solicitation of personal advantages for themselves or others.

The Recipients shall promptly report to their own superior and, in more important cases, the Supervising Organism, regarding any information that may lead to the presumption or prediction of a situation of potential conflict of interests with the Group.

All of the above is without prejudice to the current norms and laws regarding conflict of interests with members of corporate bodies.

The Recipients shall also avoid situations and/or activities that are in conflict with the regulations provided for in the Legislative Decree 231/2001 and subsequent amendments and integrations.

2.4 Selection and contractual relations with Suppliers

The selection of Suppliers and the formulation of the purchase conditions of goods and services for the companies of the Group shall be inspired by the respect of the values of competition, objectivity, correctness, impartiality, equity of price, quality of the good and/or service, carefully assessing the service guarantees and the whole range of offers available.

The purchase process shall be characterized by the search for the maximum competitive advantage for the Group and by loyalty and impartiality towards each Supplier in possession of the required requisites. Moreover, any collaboration with the suppliers shall be pursued in order to constantly ensure the satisfaction of the needs of the customers of the Group in terms of quality and delivery times.

The stipulation of a contract with a Supplier shall always be based on relations of extreme clarity avoiding, where possible, the assumption of contractual obligations that involve forms of dependence towards the contracting supplier. Every contract shall contain a clause with which the Supplier undertakes to fully and promptly respect the principles of this Code, and in case of failure to comply with said provisions, the Company shall have the right to terminate the relationship and to take action to obtain compensation for any damages.

Moreover, in order to guarantee respect for the individual, the Group, in the choice of Suppliers (especially in the Countries "at risk", defined as such by recognized organizations) is inspired by criteria that guarantee the respect of the fundamental rights of workers, the
principles of equality of treatment and non-discrimination, as well as the prevention of child labour.

2.5 Relations with Customers and protection of competition

The Group pursues its success on international markets through offering high quality products and services at competitive conditions and in compliance with the norms protecting competition in the countries where it operates, abstaining from any behaviour and/or encouraging behaviours that might constitute forms of unfair competition.

Valentino Fashion Group founds its business activity and its conduct of affairs on quality, in the sense not only of the quality of the product, but also in the sense of attention to the needs of customers, professionalism, helpfulness and promptness in meeting any commercial requirements and the prompt examination of complaints, for the full satisfaction of its customers.

Each Recipient of this Code, in the context of relations with Customers and in compliance with internal procedures, shall ensure the maximum satisfaction for the Customer, providing, among other things, exhaustive and precise information about the products and services supplied to them, in order to favour conscious choices.

2.6 Prevention of money-laundering

The Recipients, in the context of the various relations established with the Group, shall not, in any way or in any circumstance, be implicated in matters connected with the laundering of money derived from criminal activities or with receiving goods or other utilities of illegal origin.

Before entering into relations or stipulating contracts with suppliers or other partners in business relations, each Company of the Group and/or collaborator shall ascertain, on the basis of the available information, the moral integrity, the reputation and the good name of the counter-party.

It is obligatory to comply with all the regulations and provisions, both national and international, regarding the prevention of money laundering.

2.7 Correct use of company assets

Each Recipient is responsible for the protection and correct use of the assets of the Group, whether material or not, including confidential information and computer and web resources, and is bound to promptly inform the appropriate bodies of any threats or damaging occurrences for the Group.

In particular each Recipient shall:

- operate diligently to protect company assets, by adopting a behaviour which is responsible and in line with the operative procedures provided to regulate the use of said assets;
- avoid any inappropriate use of company assets for purposes contrary to the law, public order or public morals, or in order to commit or instigate to commit offences and/or in any case racial intolerance, glorification of violence or violation of human rights;
• obtain the necessary authorizations in the event of use of assets outside the company sphere.

The use of company assets for any purpose outside of the company activity, may cause serious harm to the Group (e.g. impair its image, business activity, competitive ability, etc..) with the aggravating circumstance that an improper use may result in potential criminal and administrative sanctions against the Group for any possible offence, and entail the need to undertake disciplinary measures against the recipients.

A. Electronic information

The growing dependence on information technology requires to ensure the availability, security, integrity and maximum efficiency of all electronically transmitted or memorized data regarding the Group.

Each Recipient, therefore:

• shall not send threatening or injurious electronic mail messages, resort to obscene or in any case low-level language, make inappropriate or undesirable comments, which may cause offence to the individual and/or damage the company image and that in any case constitute a violation of the values and policies of the Group, such as, for example, sexual, racial harassment or other forms of discrimination;

• shall avoid spamming or “chain letters” that might generate a traffic load of data/information/processes within the company computer network such as to reduce significantly the efficiency of the network with negative impacts on productivity;

• shall not browse Internet sites with indecorous and offensive content, and all the more so, contents that are pornographic or otherwise unacceptable or against the law and common morality;

• shall scrupulously adopt the provisions regarding company security, in order not to compromise the functionality and the protection of the computer systems;

• shall avoid downloading onto company systems borrowed or non-authorised software and shall never make unauthorised copies of licensed software for personal or company use or use for third parties.

B. Traceability. Completeness of documentation

Each Recipient shall keep, in compliance with company procedures, adequate documentation of each operation carried out, in order to be able to verify, at any moment, the reasons for and the characteristics of the operation during the authorization, execution, registration and verification phases of the said operation.

All financial reports, accounting reports, research progress reports, sales reports, attendance sheets and any other document relating to the activities and organization of the Group shall accurately and clearly reflect the important facts and the true nature of each operation.

Any incorrect, incomplete or untruthful document, of any form and content, is contrary to company policy and shall therefore be considered unacceptable.

C. Trips and entertainment

Trips and entertainment shall be compatible with work needs. It is the intention of the Group to prevent Employees, and more in general the Recipients of this Code, from obtaining unjustified or illegitimate advantages or suffer a damage or economic loss as a result of
business trips or entertainment. They are therefore required to use the Group's money with the same care and caution as they would with their own money.

When an expenses claim is presented, the expenses reimbursed shall be reasonable, actual and authorised, in compliance with appropriate specific company procedures. Receipts shall always be requested and in all circumstances personal expenses kept separate from work expenses.

D. Confidential information

Confidential documents and information of the Group (including projects, proposals, strategies, negotiations, understandings, commitments, agreements, contracts in the process of completion, products not yet marketed, research results, financial projections and lists of customers), with particular reference to “price-sensitive” information (i.e. information and documents not for public domain that would, if rendered public, significantly influence the price of the issued financial instruments or have an impact on the activities of the Group), shall only be made public or communicated to external bodies in compliance with company procedures.

Confidential information obtained by Recipients of this Code shall not be used for the personal advantage of the Employees or Recipients or other individuals associated or related with them. The use of such information for personal aims includes gaining any profit from them by (a) operating or supplying information to others in order to operate on the Stock Exchange with company shares of the Group or by (b) acquiring any interest whatsoever.
3. EXTERNAL RELATIONS

3.1 Relations with Shareholders

Valentino Fashion Group S.p.A. adopts a system of corporate governance which complies with the provisions of current laws and regulatory norms, and is also in line with self-discipline codes and national and international best practice.

The Group maintains a constant dialogue with its Shareholders, in compliance, in particular, with the laws and regulations that provide for equality of access to corporate information of every investor or potential investor.

In this respect Valentino Fashion Group protects and prioritizes the interest of the Group and of the shareholders as a whole rather than the particular interest of the individual shareholders or groups of them.

3.2 Relations with Supervision Authorities and Control Organisms

The Group is committed to full and scrupulous compliance with the rules laid out by the Supervision Authorities and Control Organisms in order to ensure the respect of current norms and laws, as well as to maintain a policy, with regard to its relations with said Bodies, of maximum collaboration, fully respecting their institutional role and undertaking to promptly carry out their provisions.

3.3 Relations with Parties, Trade Union Organizations and Associations

Relations with parties, trade union organizations and other representative associations shall be carried on by Company Representatives authorised to do so or by persons delegated by them, in compliance with the requirements of the present Code, as well as with the corporate statute and special laws, with particular regard for the principles of impartiality and independence.

The Group does not make direct or indirect contributions to Political parties, or to their representatives or candidates, and abstains from any direct or indirect pressure on political representatives (e.g. through acceptance of recommendations for hiring, consultancy contracts, etc.).

Each Employee shall recognise that any form of involvement in political activities takes place on a personal basis, in his/her free time and own expense and in compliance with the laws in force.

The Group, moreover, does not make contributions to organizations with which there may be a conflict of interests (such as trade unions, consumer protection or environmentalist associations). Forms of strictly institutional cooperation are possible when: the aims are related to the mission of the Group or referable to projects of public interest; the destination of the resources is clear and documented; there is an expressed authorisation by the appropriate company functions.

3.4 Relations with Public Institutions

Relations with Authorities or Public Bodies, necessary for the development of the corporate policy of the Group, are exclusively reserved to company functions delegated with said activities, in compliance with the requirements of the present Code, as well as with statutory provisions and special laws, with particular regard to the principles of correctness, transparency and efficiency.
The relations shall be characterised by the maximum transparency, clarity and correctness so as not to lead to partial, distorted, ambiguous or misleading interpretations and/or evaluations by public institutional individuals or bodies with which said relations are established.

3.5 Relations with mass media

Communication with the mass media plays an important role for the image of the Group. Therefore, relations between the Group and the mass media shall be the sole responsibility of the specially designated company functions, and shall be maintained coherently with respect to the policies and communication instruments defined by the company bodies, as well as laws, rules and practices of professional conduct.

Information conveyed to the outside is inspired by criteria of truthfulness and transparency. It is absolutely forbidden to divulge false information.

In general all other employees of the companies of the Group are not allowed to give information to representatives of the mass media or to commit themselves to giving information without the authorisation of the competent functions.

3.6 Protection of personal data

The Group, in carrying out its own activities, in order to guarantee the protection of personal data, undertakes to process said data in compliance with current reference norms and, in particular, with the following criteria: transparency towards individuals to whom the data refer, lawfulness and correctness of data processing, relevance of data processing with the stated purposes, guarantee of data security.

“Personal data” shall be defined as any information relating to natural persons or corporate entities, bodies or associations, identified or identifiable, even indirectly, through reference to any other information, including personal identification numbers.
4. CORPORATE COMMUNICATIONS

Every action, operation or transaction shall be correctly recorded in the company accounting system according to the criteria indicated by law and the applicable accounting principles, and be duly authorised, verifiable, legitimate, coherent and appropriate.

In order to ensure that company accounting procedures comply with the requirements of truth, completeness and transparency of each recorded datum, each operation shall be accompanied by full and appropriate documentation supporting the activity carried out, in order to allow:

• accurate recording of accounts;
• immediate identification of the characteristics and motivations underlying said operation;
• easy formal and chronological reconstruction of the operation;
• verification of decision-making, authorisation and realization processes as well as identification of the various levels of responsibility.

Each employee shall operate, according to his/her competence, so as to ensure that any fact relating to the management of the Company is correctly and promptly recorded in the company accounts. Each account entry shall exactly reflect the results of the support documentation. The designated personnel shall therefore ensure that all documentation is easily traceable and ordered according to logical criteria.

The circulation of information within the Company, for budget purposes and in order to guarantee a clear and truthful representation of the economic situation, equity structure and financial position of the Company, shall comply with the principles of truthfulness, completeness and transparency, respecting the autonomy of the Company and the specific areas of activity.
5. PERSONNEL POLICY

5.1 Management of human resources

Human resources are an indispensable element for the existence of the company. The dedication and professionalism of the employees are decisive values and conditions for its success.

The Group is committed to developing the capacities and competences of each employee so that the energy and creativity of individuals may find full expression in the achievement of the goals of the Group.

The Group offers all employees the same opportunities for professional growth, ensuring that they can all enjoy a fair treatment based on criteria of merit, without any discrimination. To this end the competent functions shall:

- adopt criteria of merit, competence and evaluation of the capacities and potentialities of individuals, and in any case strictly professional criteria for any decision regarding an employee;
- select, hire, train, remunerate and manage employees without any discrimination;
- monitor the work environment so that personal features do not give rise to discrimination.

Each Recipient of the Code shall actively collaborate to maintain a climate of reciprocal respect for the dignity and reputation of each individual.

The Group therefore opposes any behaviour or attitude that is discriminatory or damaging to the individual, his/her beliefs and preferences.

Any violation of the provisions of the present article shall immediately be communicated to Human Resources Management.

5.2 Environment and safety

The Group is committed to spreading and consolidating a culture of safety, by developing the awareness of risks, promoting responsible behaviour on the part of all collaborators and operating to preserve, especially with preventive actions, the health and safety of workers.

The activities of the Group shall be carried out in full compliance with the current norms and laws regarding prevention and protection; operational management shall be based on advanced criteria of environment protection and energy efficiency, pursuing the improvement of health and safety conditions in the work place. The Group is also committed to ensuring work conditions that protect the psycho-physical integrity of the worker, respect his/her moral personality, and avoid the latter being exposed to illegal conditioning or undue distress.

In particular, as far as health and safety in the work place is regarded, all decisions, of any type and level, are based on the following principles and fundamental criteria:

a) risk avoidance;

b) evaluation of avoidable risks;

c) management of risks at their source;

d) adapting any work to be carried out to each individual person, in particular with regard to the design of any job profile and choice of work equipment, and work and production methods, especially to attenuate monotonous and repetitive work in order to reduce its effects on health;
e) taking into account the extent of technological evolution;

f) replacing dangerous items with items which are not dangerous or less dangerous;

g) prevention planning activities, so as to construct a coherent whole that encompasses technology, work organization, work conditions, social relations and the influence of work environment factors;

h) priority to measures of collective protection over measures of individual protection;

i) provision of adequate instructions to workers.

Such principles are applied by the Group in order to take the necessary measures for safeguarding the safety and health of workers, including activities of professional risks prevention, information and training, as well as the setting up of an appropriate organization and of necessary means.

Valentino Fashion Group considers the environment as a heritage that belongs to everyone, complies with existing environmental laws and regulations in the countries in which the Group operates and promotes environmental protection and safeguard also through energy efficiency policies and an environmental management system in accordance with current legislation.

The whole company, both at top and operational levels, shall follow these principles, in particular when decisions or choices have to be made and, subsequently, when the same have to be implemented.

5.3 Sexual harassment

The Group does not tolerate sexual harassment, by which term is meant: the subordination of pay or career prospects to the acceptance of sexual favours; proposals of private interpersonal relationships, made despite an expressed and reasonably evident rejection, that have the capacity, in relation to the specific nature of the situation, to upset the serenity of the recipient.

5.4 Alcohol and drugs abuse

The Group requires each employee to personally contribute to maintaining a work environment that is respectful of the sensitivity of others. The following behaviours shall therefore be considered illegal: working under the effects caused by the abuse of alcohol, drugs or substances having an analogous effect; consumption or transfer of drugs, for whatever reason, while at the work place.

5.5 Smoking

The Group, in consideration of the will to create a healthy and comfortable environment for its employees and or visitors, has provided for a general smoking ban in places of work.

5.6 Respect of differences

In the conduct of the affairs of the Group, employees shall respect the dignity, rights and cultural differences of individuals. It is the policy of the Group not to exercise any discrimination towards employees and to observe the principle of equal employment opportunities without distinction of age, sex, race, religion, colour, physical handicap, nationality, marital status or sexual tendencies. No form of mobbing shall be tolerated.
6. TRANSPARENCY OF ACCOUNTING STATEMENTS AND INTERNAL CONTROLS

6.1 Accounting transparency
The Group is aware of the importance of truth, transparency, accuracy, completeness and compliance with current norms and laws regarding accounting information.

To that end it has equipped itself with appropriate administrative-accounting systems to correctly represent the various aspects of management and provide tools to identify, prevent and manage, within the limits of the possible, any financial or operational risk, as well as fraud to the detriment of the Group.

In particular:
- all activities and actions carried out and executed by the Recipients in the context of their own work activity shall be verifiable;
- accounting transparency is founded on truth, accuracy, completeness and reliability of the documentation regarding management operations and related account records;
- each Recipient is required to collaborate in order to ensure that management data are promptly and correctly represented in the accounts;
- for each operation adequate documentation in support of the activities carried out shall be kept for the records, so as to make possible a smooth and easy recording of accounts, the identification of different levels of responsibility as well as the accurate reconstruction of the operation;
- each record shall exactly reflect the content of the support documentation.

If any omission, falsification, alteration, incompleteness or negligence in accounting information or support documentation comes to the attention of the Recipients, they shall notify their own superior and the Supervising Organism of said occurrence.

6.2 Internal control system
The Group believes that a fundamental element of business culture is the diffusion, at all levels of its organization, of a culture that is aware of the importance of an efficient internal control system, in the sense of a process aiming at facilitating the achievement of company goals, safeguarding resources, preventing business risks, ensuring compliance with applicable laws and regulations, drawing up reliable, truthful and correct accounting and economic-financial statements.

In particular, the Group believes that the internal control system needs to favour the achievement of company goals and should, therefore, be aimed at improving the effectiveness and efficiency of the productive and management processes.

All the Recipients, in the context of the functions carried out, are responsible for the correct functioning of the control system.
7. ADOPTION, EFFECTIVENESS AND AMENDMENTS

This Code of Ethics was adopted by resolution of the Board of Directors of Valentino Fashion Group S.p.A. on 3 April 2012 with immediate effect from that date.

Any update, amendment or revision of this Code of Ethics shall be previously be approved by the Board of Directors of Valentino Fashion Group S.p.A.

Each Company of the Group shall acknowledge, by appropriate resolution of the Board of Directors, the adoption of this Code and its approval, by carrying out any amendment to applicable norms and regulations which may be deemed necessary at any given time.
8. ADDRESS OF THE SUPERVISING ORGANISM

Any communication and notice provided for by this Code shall be addressed to:

Organismo di Vigilanza di Valentino Fashion Group S.p.A.
c/o Direzione Affari Legali e Societari [Company and Legal Affairs Division]
Via Turati 16,18
20121 Milan

e-mail: organismodivigilanza@valentino.com