

CAMERA NAZIONALE DELLA MODA ITALIANA

ETHICAL CODE

Introduction

The Ethical Code (“Code” or “Ethical Code”) of Camera Nazionale della Moda Italiana (“CNMI”) is binding upon its directors, statutory auditors, management and employees and on all subjects that enter working relationships or collaboration with CNMI, such as consultants, suppliers, designers, sponsorship partners and press offices, each according to their functions and responsibilities. Compliance with the Code is of fundamental importance, also for the intents and purposes of the provisions of law, because it is concerned with factors constituting capital that is decisive for the success of the enterprise and the improvement of the context in which CMNI operates.

CMNI has undertaken to promote knowledge of the Code on the part of CNMI people and members and closely monitor compliance with the Code by implementing adequate systems and procedures for information, prevention and control to ensure the transparency of operations and lines of conduct in place and be able to intervene with corrective action where necessary.

The Supervisory Body has been assigned the role of controller of the Ethical Code (“Controller”).

The Code is made known to everyone who works with CNMI and has relationships with it.

The Ethical Code of Camera Nazionale della Moda Italiana is subscribed by all its component parts, which are:

Members

- Ordinary Members
- Honorary Members

Top Management

- Meeting of Members
- Management Board
- President
- Vice Presidents
- Statutory Audit Committee

The above listed subjects have undertaken to comply and make others comply with the Code.

I. General principles: corporate sustainability and responsibility

Camera Nazionale della Moda Italiana is a no-profit association which disciplines, co-ordinates and promotes the development of Italian fashion. It stands for the highest cultural values of Italian fashion and is committed to safeguarding, co-ordinating and upgrading its image both in Italy and abroad.

CNMI and all its component parts undertake to comply with and implement with transparency models of conduct inspired by the principles of autonomy, integrity and ethical sensibility and to

pursue coherent lines of action that do not damage CNMI's reputation with public opinion, government and public administrations.

All CNMI people commit to constant compliance with the law, regulations, the provisions of the by-laws and codes of self-discipline and the ethical integrity and fairness that characterize the conduct of its entire organization.

All CNMI's activities must be carried out in accordance with the principles of *transparency, fairness and good faith*.

CNMI undertakes to maintain and strengthen a governance system in line with the standards of international best practice.

Ethical conduct is not merely a matter of strict compliance with the provisions of law and the by-laws. It is rooted in determination to adopt the highest standards of conduct in all situations in accordance with the following values.

Integrity

Pursuit of CNMI's objectives with honesty, fairness and responsibility and conduct based on compliance with current laws and internal regulations. Relationships with CNMI stakeholders must be based on criteria and conduct inspired by the principles of fairness, collaboration, loyalty and mutual respect.

Excellence

Targeting of continual improvement of the quality and efficiency of CNMI's activities and internal and external relationships and the strengthening of its membership base.

Fairness and respect for the individual

CNMI ensures respect for the physical and cultural integrity of the individual and the dimension of relations with others. All forms of discrimination, corruption and child labour are repudiated. It therefore commits to avoiding all discrimination against differences of gender, age, race, religion, politics, language or disability. There is a strong focus on the recognition and safeguarding of the dignity, freedom and equality of human beings and the safeguarding of occupation and trade union freedom, health and safety and the environment.

CNMI ensures that conditions in its workplaces are in keeping with personal dignity and safety. CNMI undertakes to stipulate employment contracts with its employees in line with current legislation and keep such contracts in force.

Transparency

In CNMI, transparency is guaranteed in communication, contracts and criteria of conduct to enable all stakeholders to make autonomous and informed choices in accordance with the values and principles asserted by national law and international Conventions.

Confidentiality of information

CNMI ensures the adoption of procedures designed to guarantee the confidentiality of information in its possession and compliance with the law on personal data and abstains from searching for confidential data by illicit means.

It is forbidden for addressees of the Code to use confidential information for purposes not related to the carrying out of their professional work.

The conviction of acting to the advantage or in the interests of CNMI may in no way justify the adoption of conduct in contrast with the principles and contents of the Code.

Relationships between CNMI's people must be based on the criteria of honesty, fairness, collaboration, loyalty and mutual respect.

II. STANDARDS OF CONDUCT

1 Ethics, transparency, fairness, professionalism

In its relationships with 3rd parties CNMI acts on the principles of loyalty, fairness, transparency, efficiency and openness to the market.

All actions and operations undertaken and the lines of conduct adopted in work activities in general are inspired by the principles of utmost fairness, thoroughness and transparency of information, legality (formal and substantial) and the clarity and truthfulness of accounting documents in accordance with current law and internal procedures.

All CNMI activities must be carried out with diligence and strict professionalism and entail a duty to provide professional support in line with functions and responsibilities assigned and act in ways that safeguard CNMI's prestige and reputation.

All forms of corruption, illicit favours, collusion and soliciting of personal gain or career advancement for self or others, directly and/or through 3rd parties, are forbidden without exception.

It is never allowed to directly or indirectly favour or offer to favour 3rd parties, representatives of governments, public officials or public or private employees with payments, material benefits or other advantages in any amount in order to influence or compensate an act in the course of duty.

Acts of commercial courtesy, such as gifts or forms of hospitality, are only allowed if of modest value and in any case to an extent that would not compromise the integrity or reputation of either party or be able to be interpreted by an impartial observer as improperly intended to obtain advantages. Such expenses must in any case always be authorized by the subject defined in the internal procedures and appropriately documented.

It is forbidden to receive money or other utilities from or promise money or other utilities to people or companies that intend to enter work relationships with CNMI. Anyone receiving from 3rd parties proposals or requests for gifts or favourable treatment or hospitality not compatible with commercial courtesies of modest value must decline them and immediately inform their superior or the Controller.

CNMI makes sure that 3rd parties are adequately informed about the undertakings and obligations imposed by the Code, requires that they abide by the principles directly regarding their activities and takes suitable internal and (if within its powers) external initiatives in the case of non-fulfilment by 3rd parties.

2. Conflict of interest

CNMI works to avoid situations in which subjects involved in relationships are or appear to be in conflict with their own interests. This covers cases in which subjects pursue interests other than the aims and purposes of the Association or gain personal advantage through business opportunities and cases in which they act in contrast to the obligations of trust attaching to their positions.

As a result, it is not possible to join CNMI in any capacity for any natural person or legal entity in which a legal representative or natural person holding or controlling a significant share of the quota capital:

- a. has been subjected to preventive measures or has in any case been convicted for very serious offences involving morality or fairness in economic business and/or has forfeited civil rights;
- b. has seriously and substantially damaged the image of Italy and/or relationships with other countries.

3. Information

CNMI ensures proper management of corporate, financial and commercial information thanks to suitable internal management procedures and external communication.

4. CNMI management, employees and suppliers

People are key to the Association's results, to its very existence. The dedication and professionalism of its management team and employees are values and key factors vital to the pursuit of CNMI's objectives.

CNMI wants its people to work together at all levels of the Association to maintain a climate of mutual respect and sensibility towards the dignity, honour and reputation of others. CNMI will intervene to prevent injurious, discriminatory or defamatory interpersonal attitudes. This policy also extends to any conduct in the private sphere that is particularly offensive to public sensibility. All conduct constituting physical or psychological violence is forbidden without exception.

All forms of sexual violence and harassment and all forms of violence and harassment targeting personal, religious or cultural diversity are prohibited.

Everyone must personally contribute to promoting and maintaining a climate of reciprocal respect in the workplace. There is a strong focus on respect for other people's sensibility. There is therefore no toleration of threats to the climate of mutual respect in the workplace posed by the use of alcohol or drugs or substances with similar effects.

It is forbidden to:

- a. have, consume, offer or in any way provide drugs, alcohol or substances with similar effects in the course of duty or anywhere in the workplace;
- b. smoke in the workplace.

5. Conduct of members

CNMI members undertake:

- as entrepreneurs

I. to fully apply the law and employment contracts;

II. to act justly towards employees, foster their professional development and safeguard workplace safety;

III. to adopt an attitude to clients, suppliers and competitors based on fairness and integrity;

IV. to maintain relationships based on fairness and integrity with the public administration and political parties;

V. to consider environmental protection a constant commitment;

- as members

VI. to take part in the life of the Association;

VII. to contribute to CNMI's decision making processes with integrity, fairness, respect for the individual and transparency and in full autonomy and freedom from internal or external pressure, the primary objective being the interest (excellence) of the Association;

VIII. to establish and maintain a full membership relationship, abstain from joining conflictual organizations and give prior notice of joining other, different organizations;

IX. to abide by the guidelines that CNMI is called upon to issue on various matters and express personal positions thereon in advance, during internal debate;

X. to promptly inform CNMI of any situation threatening to change their relationship with the other entrepreneurs and/or CNMI and ask for any support needed.

6. Conduct of CNMI executives

Election of the Association's executives is subject to ascertainment that candidates have an irreproachable record of conduct on a personal, professional and membership level.

Candidates undertake to provide all the necessary information as requested.

Appointees undertake to:

I. take up their posts through a spirit of service towards CNMI and the outside world and not obtain any direct or indirect advantage;

II. conduct themselves in accordance with the values of integrity, excellence, fairness, respect for the individual and transparency, be inspired by the principles of autonomy, loyalty and sense of responsibility toward other CNMI members and not let personal political opinions interfere with their holding of office;

III. abide by CNMI's directives and, whilst contributing to in-house debate, maintain CNMI's united front in respect of the outside world;

IV. respect confidentiality when using information acquired in the course of duties;

V. treat all members with equal respect for dignity irrespective of their size or origin;

VI. maintain an independent stance with respect to political groups and provide correct information for legislative and administrative purposes;

VII. actively engage CNMI's governing board to ensure management that is shared and sensitive to differing requirements;

VIII. stand down whenever personal, professional or objective reasons render their presence detrimental to CNMI's image; to this end, external representatives, on taking office, are informed of

their commitments under this Ethical Code, which they automatically agree to on accepting their appointment.

7. External representatives

CNMI identifies and designates its representatives from amongst its Members according to criteria of expertise and independence as resolved by the competent bodies provided for in the by-laws.

Representatives undertake to:

- I. carry out their duties in a manner based on the values of integrity, excellence, fairness, respect for the individual, transparency and confidentiality of information in the interests of Camera Nazionale della Moda Italiana and in accordance with the guidelines that it is obliged to provide;
- II. accept their appointment not for remunerative gain;
- III. provide ongoing information on the performance of their mandate;
- IV. stand down whenever there are reasons of incompatibility or when ongoing participation is impossible or in any case at the request of CNMI.

8. Safety

All CNMI people are under obligation to actively contribute to the maintenance of optimal in-house safety standards, abstain from unlawful or in any case dangerous conduct and inform superiors or the body they belong to and the competent safety unit of any activities carried out by 3rd parties to the detriment of property or human resources.

In any situation requiring special attention to personal safety, all CNMI people must strictly follow the indications provided by CNMI and abstain from any conduct that could put oneself or others at risk. All situations presenting risks for one's own or 3rd parties' safety must be reported to one's superiors.

CNMI activities must be carried out in accordance with international agreements and standards and national laws, regulations, administrative practices and policies.

CNMI people, in their various jobs, must actively participate in the process of preventing risks, safeguarding the environment and the safety of the public and protecting the health and safety of themselves, colleagues and 3rd parties.

III. SUPERVISORY AND PROTECTION BODIES

1. Internal control system

CNMI undertakes to promote and maintain an adequate internal control system, by which is meant a set of all the necessary or useful instruments for guiding, managing and controlling the Association's activities. The aim is to ensure compliance with the law and business procedures, optimum management of activities and provision of full and accurate accounting and financial data.

Responsibility for implementing an effective internal control system is shared at all levels of CNMI's organizational structure. All CNMI people are therefore involved, according to their functions and responsibilities, in defining and actively participating in the correct operation of the internal control system.

CNMI promotes the spreading at all levels of a culture and procedures based on awareness and informed, voluntary use of controls. The management, in the first place, and all CNMI people are in any case under obligation to take part in CNMI's internal control system and get their suppliers and consultants to do likewise.

The control and supervisory bodies and the external auditors (if any) have free access to data, documentation and information of use in their activities.

2. Transparency of accounting records

Transparent accounting is based on the truthfulness, accuracy and completeness of the information documented by accounting records. All the members of governing bodies, the management and employees must collaborate, within their various spheres of action, so that operating data is correctly and promptly represented in the accounting records.

It is forbidden to act in any way that may compromise the transparency and traceability of financial statements data.

For every operation, suitable documentation of the activity carried out is kept in the Association's records to enable easy and precise entry of accounting records, the identification of the various levels of responsibility and division of tasks and the detailed reconstruction of operations, which also reduces the probability of material or interpretational errors. All CNMI people must make sure documentation is easily traceable and logically sorted.

3. Safeguarding privacy

CNMI undertakes to protect information about its people and 3rd parties generated or acquired in-house or in business relationships and avoid all improper use of such information.

CNMI ensures that processing of personal data is carried out with respect for the rights, basic liberties and dignity of the parties concerned, as provided for in current law. Data will be kept for no longer than required for the purpose for which it was collected or in any case the relevant legal terms.

CNMI undertakes to adopt suitable security measures to protect its archives of personal data and avoid any risks of destruction or loss or unauthorized access or processing.

IV SCOPE OF APPLICATION AND FRAMEWORK OF REFERENCE

The principles and contents of the Code apply to all CNMI's people and activities.

The directors and management, first and foremost, are responsible for embodying the principles and contents of the Code through their responsibilities towards the Association itself and the outside world and by strengthening trust, cohesion and team spirit. Their conduct must serve as an example of compliance with the Code for their subordinates and also encourage them to critically consider its provisions and offer suggestions for improvements.

1. Obligations to know the Code and report infringements

Everyone in CNMI is required to know the principles and contents of the Code and the relative procedures regulating their functions and responsibilities.

Everyone in CNMI is under obligation to:

- a. abstain from conduct contrary to such principles, contents and procedures;
- b. carefully select, as far as their position allows, the people who work with them and require them to fully comply with the Code;
- c. require 3rd parties with which CNMI enters relationships to state that they have knowledge of the Code;
- d. promptly report any infringements of the Code or invitations to infringe it to their superiors or the governing body or committee of which they are members; such reports are sent in the manner indicated by the procedures created for the purpose by the CNMI's Supervisory Body;
- e. immediately adopt corrective measures when circumstances require it and in any case prevent any sort of retaliation.

2. Reference framework and supervisory activities

CNMI commits to ensuring:

- a. maximum diffusion of the principles and contents of the Code to CNMI people;
- b. provision of all possible aids for learning, interpretation and application of the Code and also updating of the Code to align with changing social standards and new legislation;
- c. investigation of all reports of infringement of the principles and contents of the Code or relative procedures; objective assessment of the facts and consequent implementation of sanctions if the infringement is ascertained; no one must suffer any kind of retaliation for having reported possible infringements of the Code or relative procedures.

3. Ethical Code Controller

The Ethical Code also represents an indispensable source of principles for the Organization, Management and Control Model adopted by CNMI in accordance with the law on the administrative responsibility of legal entities (legislative decree 231/2001).

CNMI has assigned the role of Controller to the Supervisory Body set up as required by the aforesaid Model.

The Controller's tasks are to:

- a. promote the application of the Code and the issue of relative procedures; propose initiatives for greater diffusion and knowledge of the Code, also for the purpose of preventing repetition of infringements already ascertained;
- b. examine news of possible infringements of the Code and order the carrying out of appropriate investigation; intervene in the case of reports from CNMI on possible infringements of the Code; intervene in the case of reports from CNMI people in cases of news of possible infringements of the Code deemed not duly dealt with or retaliations against people who made reports;
- c. inform the relevant structures of the results of investigations prior to the taking of any disciplinary action.

All information flows must go to the following e-mail address created for the purpose:
cameramoda@cameramoda.it.

The Code is made available to CNMI people in accordance with the applicable laws.

4. Revisions of the Code

Revisions of the Code are approved by CNMI's Management Board on the basis of proposals moved by the President.

5. Value of the Code

Compliance with the provisions of the Code is to be considered an essential part of the contractual obligations of all CNMI people for the intents and purposes of applicable law.

Infringement of the principles and contents of the Code constitutes non-fulfilment of the primary obligations of the work relationship and/or a disciplinary offence, which entails all the legal consequences (also in terms of conservation of the work relationship) and compensation for any damages caused by such infringement.

The Ethical Code is an integral part of the Organization Model pursuant to legislative decree 231/2001.

The definition and application of sanctions is the exclusive task of CNMI's Management Board

March 2014