



YOOX S.p.A.

ORGANISATION, MANAGEMENT AND CONTROL MODEL

pursuant to article 6, paragraph 1, letter a)
of Legislative Decree 231 of 6 June 2001


Organisation, management and control model pursuant to Legislative Decree 231/01

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DEFINITIONS

- **“Activity/Area at Risk of Offence”, “At Risk Activity” or “Sensitive Activities”**: company activities in the context of which opportunities and/or conditions may theoretically be created for Offences to be committed.
- **“CCNL”**: the *Contratti Collettivi Nazionali di Lavoro* [national collective labour agreements] applicable to the Employees of the Company, or the current *Contratto Collettivo Nazionale di Lavoro per i dipendenti di aziende del terziario, della distribuzione e dei servizi* [national collective labour agreement for the employees of service sector, distribution and services companies] as amended and supplemented, while for managers, it shall refer to the current *Contratto Collettivo Nazionale di Lavoro per i dirigenti del terziario, distribuzione e servizi* [national collective labour agreement for managers of the service sector, distribution and services companies] as amended and supplemented.
- **“Code of Conduct”**: the document, approved by the Company’s senior management as an expression of corporate policy, which contains the general ethical principles of conduct – recommendations, obligations and/or prohibitions – with which Recipients must comply.
- **“Contractors”**: generally speaking, individuals who work with the Company, including those vested with particular powers in the absence of a subordinate relationship, and who act as agents, sales representatives and in other capacities which involve the provision of a professional service, not within a subordinate relationship, whether coordinated and ongoing, occasional or on a self-employed basis, in addition to any individuals who, under the terms of specific mandates and powers of attorney, represent the Company in respect of third parties.
- **“Consultants”**: anyone who provides information and opinions, and helps the Company perform specific activities, based on their experience and professional practise in specific areas.
- **“Recipients”**: the Management Bodies (except for the Board of Statutory Auditors and the Supervisory Body), the Directors and Liquidators, Managers, Employees, Contractors, Consultants, Suppliers, partners and, more generally, anyone who, for whatever reason, operates in respect of Sensitive Activities on behalf or in the interest of the Company.
- **“Legislative Decree 231/01” or the “Decree”**: Legislative Decree 231 of 8 June 2001 containing the “Rules on the administrative responsibility of legal persons, companies and associations, including those without legal personality, pursuant to article 11 of Law 300 of 29 September 2000”, published in Official Gazette 140 of 19 June 2001, as amended and supplemented.
- **“Employees”**: persons who are subject to the management or supervision of representatives, directors or managers, and all individuals who have a subordinate relationship of any kind with the Company.
- **“Suppliers”**: anyone who supplies goods or services to the Company.

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- **“Organisation Model” or the “Model”**: the Organisation, Management and Control Model which the Management Bodies deems appropriate to prevent the Offences and which shall therefore be adopted by the Company, pursuant to articles 6 and 7 of Legislative Decree 231/01, in order to prevent the Offences being committed by Senior Managers or Employees.
- **“Management Bodies”**: the Board of Directors and/or the Board of Statutory Auditors of the Company and their members.
- **“Supervisory Body” or “SB”**: the Body required by article 6 of the Legislative Decree, responsible for supervising the effectiveness, operation and observance of the Organisation, Management and Control Model, and for its updating.
- **“Governance Body”**: the Body vested with the appropriate powers to sign and give undertakings on behalf of the Company, identified by the bylaws and subsequent additions.
- **“Instrumental Processes” or “Support Processes”**: the processes by means of which, even if no direct risk in respect of the commission of offences can be identified, actions and operations may be implemented that are functional and useful to the commission of certain types of Offences.
- **“Protocols”**: the organisational, physical and/or logical measures required by the Model in order to prevent the commission of Offences.
- **“Offences”/“Offence”**: the individual offence / multiple offences referred to in Legislative Decree 231/01 as amended and supplemented.
- **“Company”**: YOOX S.p.A.
- **“Senior Managers”**: the individuals referred to in article 5, paragraph 1, letter a) of the Decree, or the individuals who are representatives, directors or managers of the Company or any one of its organisational units with financial and operational autonomy; in particular, the members of the Board of Directors, the Chairman, the Chief Executive Officer, the members of any Executive Committee, any General Manager, senior Executives, Employees with specific autonomy and decision-making powers, any agents, attorneys
- **“External Persons”**: self-employed workers or those working on a parasubordinate basis, professionals, consultants, agents, suppliers, commercial partners, etc.
- **“Persons managed by other parties”**: the persons referred to in article 5, paragraph 1, letter b) of the Decree, i.e. all persons, whether they be Employees, Contractors, External Persons, etc., who are subject to the management or supervision of one of the Senior Managers.
- **“Company entities involved”**: expression used in the Special Section to refer to the management bodies, areas and functions of the company and generally to all individuals who are at risk of committing offences, always including any external persons who may potentially be involved.

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GENERAL SECTION

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GENERAL SECTION

1. Legislative Decree 231/01

1.1. Foreword

YOOX S.p.A. (hereinafter also referred to as “YOOX” or the “Company”) is aware of the need to ensure honesty and transparency in conducting the Company’s business and activities, in order to protect its position and image, the expectations of its shareholders and the work of its Employees.

YOOX believes that adopting and formalising its own organisational model as required by Legislative Decree 231/01 (hereinafter also referred to as the “Decree”) in relation to the Company conforms to its policy.

For this purpose, YOOX initiated a project to analyse its organisation, management and control tools, in order to ensure that its standards of conduct and the procedures it has already adopted fulfil the purposes of the Decree.

This organisational model (hereinafter also referred to as the “Model”), and the principles it contains, govern the conduct of the Management Bodies, Employees, Contractors, Consultants, Suppliers, Business Partners and, more generally, of any person who, for whatever reason, operates in the context of the “Sensitive Activities” on behalf of and in the interest of the Company (hereinafter referred to as the “Recipients”).

1.2. Legislation

Legislative Decree 231 of 8 June 2001, containing the “*Rules on the administrative responsibility of legal persons, companies and associations, including those without legal personality, pursuant to article 11 of Law 300 of 29 September 2000*” added a new form of responsibility to the criminal responsibility of the individual responsible for the offence, consisting of the responsibility of the organisation in the context of criminal proceedings¹.

This extension of responsibility is intended to include in the punishment imposed for certain criminal offences the assets of organisations and, ultimately, the economic interests of their shareholders, which, prior to the law in question coming into effect, had not suffered the consequences of offences committed by directors and/or employees for the benefit of the company. The constitutional principle of the personality of criminal liability meant that organisations did not suffer pecuniary consequences other than the requirement to pay compensation for any damages incurred.

¹ Provision for the administrative (but de facto criminal) responsibility of organisations for certain kinds of offence was made in article 2 of the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions. This kind of responsibility was subsequently introduced into Italian law by article 11 of Law 300 of 29 September 2000, which ratified and implemented the OECD and European Union conventions against corruption in international business and against fraud to the detriment of the European Community. Article 11 in particular delegated responsibility for defining this kind of responsibility to the government. The government fulfilled this responsibility by adopting Legislative Decree 231/01.

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1.2.1. Offences

Legislators had originally opted for a minimalist interpretation of the delegating law (Law 300/200). Out of the four categories described in the delegating law, legislators had in fact only considered major offences against the public administration, i.e. those indicated in **articles 24** (*Illegal receipt of public disbursements, Fraud to the detriment of the State or other public organisations or for the purpose of obtaining public disbursements and IT fraud to the detriment of the State or other public organisations*) and **25** (*Extortion and Corruption*) of Legislative Decree 231/01, while highlighting, in the report accompanying the Decree, that the provisions in question could also be extended to other categories of offences.

Subsequent legislation extended the list of offences to which the provisions of the Decree apply.

Article 4 of Law 409 of 23 November 2001² introduced **article 25-bis** into the Decree on the forgery of money, public credit notes and duty stamps.

The most important measure was implemented by Legislative Decree 61/2002, which reformed the area of corporate offences³, supplementing the Decree with **article 25-ter** and extending responsibility to a number of corporate offences committed in the interest (but not also for the benefit⁴, as provided for in the Decree) of the company by directors, general managers, liquidators or individuals subject to their supervision, if the event would not have taken place if they had exercised supervision in accordance with the duties inherent to their position. In particular, article 25-ter governs the offences of: false accounting, making false statements in reports and other corporate communications, making false statements in a prospectus⁵, making false statements in audit reports or communications, obstructing audits, making fictitious capital formation, making undue repayment of contributions, illegal distribution of profits and reserves, illegal transactions involving shares or units in the company or parent company, transactions that are detrimental to creditors, undue distribution of company assets by liquidators, undue influence over the shareholders' meeting, market rigging, obstructing public supervisory authorities in the performance of their duties.

Subsequently, the law for the "*Ratification and implementation of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999*"⁶, added **article 25-quater** to Decree 231, which establishes the administrative responsibility of organisations for offences

² Law 409/2001, published in Official Gazette 274 of 24 November 2001.

³ Legislative Decree 61/2002 on provisions regarding criminal and administrative offences relating to commercial companies. The decree was published on 11 April 2002 in the Official Gazette - General Series 88 of 15 April 2002. By means of this measure, the government implemented article 11 of the delegation law on the reform of company law (Law 366/2001), approved on 3 October 2001. The above laws were subsequently amended by Law 262/2005 mentioned below.

⁴ Benefit "refers to an actual economic advantage achieved for the organisation while interest refers solely to the perpetration of the offence for that purpose" *Court of Milan, Order of 20 December 2004*, Presiding Judge Piffer, in *Diritto e pratica delle società*, 2005 No. 6, 69.

⁵ Article 2623 of the Italian Civil Code, which governed the offence of making false statements in a prospectus, was repealed and replaced by article 173-bis of the TUF [Consolidated Finance Act], which punishes the identical offence. In spite of this amendment, the reference to article 2623 made in article 25-ter of Legislative Decree 231/01 was not updated and replaced with a reference to article 173-bis of the TUF, which created considerable interpretational uncertainties.

⁶ Law 7/2003, Official Gazette 21 of 27 January 2003.

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committed for the purposes of terrorism or subversion of the democratic order. The law (article 25-*quater*, last paragraph) also applies to offences other than the ones expressly identified, “*which are in any case perpetrated in violation of the terms of article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999*”.

The law containing “*Measures against people trafficking*”⁷ added article **25-quinquies** to the Decree, which extends the responsibility of organisations in relation to the commission of offences against individuals governed by subsection I, section III, chapter XII, book II of the Criminal Code.

Subsequent measures to modify the rules on the administrative responsibility of organisations were implemented by the Community Law 2004⁸ (article 9) which, among other things, transposed, by means of immediately applicable rules, Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse), and by the “*Law on Savings*”⁹, which amended and tightened the rules on the responsibility of legal persons relating, among other things, to corporate offences.

The new rules regarding market abuse have extended the scope of Decree 231 to include insider trading and market manipulation among the “*premises*” for the administrative responsibility of organisations (article 25-*sexies* of Legislative Decree 231/01).

Community Law 2004, in particular, amended both the Civil Code and the TUF.

With regard to the Civil Code, article 2637, which punished the offence of market rigging committed using listed and unlisted financial instruments, was amended. This rule now only applies in cases of market rigging carried out using financial instruments which are unlisted or for which no request for admittance to trading in a regulated market has been made. It does not apply to offences using listed financial instruments, which are governed by the rules of the TUF relating to market manipulation. The new offence of insider trading relates solely to privileged information regarding issuing companies governed by the TUF.

Law 262/2005 on the protection of savings extended the liability of organisations to the new offence of failing to report a conflict of interests by directors, relating exclusively to listed companies, and amended the rules on false company communications and false statements in prospectuses.

Further legislative changes regarding the responsibility of organisations were introduced by Law 7/2006¹⁰, which prohibits and punishes the practice of infibulation, by Law 38/2006¹¹, containing “*Provisions regarding*

⁷ Law 228 of 11 August 2003, on “*Measures against people trafficking*”. The legislation was published in Official Gazette 195 of 23 August 2003.

⁸ Law 62 of 18 April 2005, containing “*Provisions for fulfilment of obligations arising from Italy’s membership of the European Community. Community Law 2004*”. The legislation was published in Official Gazette 96 of 27 April 2005 – Ordinary Supplement 76.

⁹ Law 262 containing “*Provisions for the protection of savings and regulation of the financial markets*”, published in Official Gazette 301 of 28 December 2005 – Ordinary Supplement 208.

¹⁰ Law No. 7 of 9 January 2006 on “*Provisions regarding the prevention and banning of female genital mutilation practices*”, published in Official Gazette 14 of 18 January 2006.

¹¹ Law 38 of 6 February 2006 containing “*Provisions regarding the fight against the sexual exploitation of children and child pornography via the Internet or otherwise*”, published in Official Gazette 38 of 15 February 2006.

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the fight against the sexual exploitation of children and child pornography via the internet or otherwise” and, finally, by the law ratifying the Palermo Convention against Transnational Organized Crime of 15 November 2000¹².

The law on the prevention and banning of infibulation practices subsequently extended the scope of Legislative Decree 231/01 to the new offence of mutilation of female genital organs (article 583-*bis* of the Criminal Code) introducing **article 25-quater**.

Law 38 of 6 February 2006 modified the scope of child pornography and possession of pornographic material offences (article 600-*ter* and 600-*quater* respectively of the Criminal Code), for which the responsibility of organisations had already been established by Decree 231, extending its application to include cases in which the pornographic material used shows images of minors (“virtual child pornography”), (**article 25-quinquies**).

Law 146/2006, which ratified and implemented the UN Convention against transnational organised crime, established the applicability of Decree 231 to transnational organised crime offences. The new provisions established the responsibility of organisations for the administrative offences arising from transnational offences of criminal conspiracy, money laundering and using money or assets of illegal origin, trafficking of migrants and hindering the work of judicial authorities¹³.

Subsequently, by adding **article 25-septies** to Legislative Decree 231/01, Law 123 of 3 August 2007 further extended the responsibility of organisations to the offences of manslaughter and unintentional serious or very serious injury arising from the infringement of rules on the prevention of accidents at work or relating to health and safety at work¹⁴.

Thereafter, with the introduction of Legislative Decree 81/2008¹⁵, legislators implemented article 1 of Law 123/2007, which delegated powers to the government to restructure and reform legislation regarding health and safety at work.

Article 30 of the above decree identifies the requirements that must be fulfilled by the organisation and management model in order to ensure the organisation is exempt from responsibility for a regulatory offence resulting from a crime, while article 300 introduces a number of amendments to article 25-*septies* of Legislative Decree 231 of 8 June 2001.

With **Legislative Decree 231 of 21 November 2007**, legislators implemented Directive 2005/60/EC of the Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the

¹² Law 146 of 16 March 2006 on the “*Ratification and implementation of the United Nations Convention and Protocol against transnational organized crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001*”, published in Official Gazette 85 of 11 April 2006 – Ordinary Supplement 91.

¹³ The provision regarding transnational offences of money laundering and using money and assets of illegal origin was subsequently repealed by Legislative Decree 231 of 21 November 2007.

¹⁴ Law 123 of 3 August 2007 containing “*Measures regarding health and safety at work and delegation of powers to the government to restructure and reform the relevant legislation*”, published in Official Gazette 185 of 10 August 2007.

¹⁵ Legislative Decree 81 of 9 April 2008 on the “*Implementation of article 1 of the law of 3 August 2007 regarding health and safety in the workplace*”, published in Official Gazette 108 of 30 April 2008.

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purpose of money laundering and financing terrorism (the Third Money Laundering Directive)¹⁶. Consequently, organisations will now be punishable for the offences of receiving stolen goods, money laundering and use of illegal money, even if committed in a purely “national” context, provided that the organisation itself draws a benefit or interest therefrom.

Law 48 of 18 March 2008¹⁷ implemented the Council of Europe Convention on Cybercrime, signed in Budapest on 23 November 2001. Article 7 of the text definitively approved by the Italian parliament was updated by Legislative Decree 231/01, introducing article **24-bis**, which governs situations in which administrative offences may be committed by an organisation as a result of cybercrime committed by senior managers or employees in the interest or for the benefit of the organisation itself. In addition to financial sanctions, article 24-bis allowed for the prohibitive sanctions described in article 9¹⁸ to be imposed on organisations.

Legislators amended Legislative Decree 231/01 with the approval by Parliament of the bills containing:

- "measures to combat organised crime and the infiltration of the economy by the mafia" (Law 94/09);
- "measures for the development and internationalisation of companies, and measures relating to the energy sector" (Law 99/09).

¹⁶ Legislative Decree 231/2007 containing “Implementation of directive 2005/60/EC on the prevention of the use of the financial system for the purpose of laundering the proceeds of criminal activity or for the financing of terrorism, and of directive 2006/70/EC that contains its implementation measures” was published in Official Gazette 290 of 14 December 2007 – Ordinary Supplement 268. The text has been in force since 29 December 2007.

¹⁷ Law 48 of 18 March 2008 on the “Ratification and implementation of the Council of Europe Convention on Cybercrime, signed in Budapest on 23 November 2001, and rules for the adaptation of national legislation”, published in Official Gazette 80 of 4 April 2008.

¹⁸ In particular, provision is made to allow for sanctions banning organisations from carrying out their business, suspending or revoking authorisations, licences or concessions used in committing the offence and banning the advertising of goods and services, in the event of the organisation being convicted of the following offences: unauthorised access to computer or telematic systems (615-ter of the Criminal Code), illegal tapping, prevention or interrupting of computer or telematic communications (615-quater of the Criminal Code), distribution of equipment, devices or computer programmes intended to damage or interrupt a computer or telematic system (617-quinquies of the Criminal Code), damaging of information, data and computer programs (635-bis of the Criminal Code), of information, data and computer programs used by the State or other public or public interest organisations (635-ter of the Criminal Code), damaging computer and telematic systems (635-quater of the Criminal Code) and computer or telematic systems operating in the public interest (635-quinquies of the Criminal Code).

The sanctions banning organisations from carrying out their business, suspending or revoking the authorisations, licences or concessions used in committing the offence will be applied in the event of the commission of the offences of possession and illegal distribution of access codes to computer or telematic systems (615-quater of the Criminal Code) and distribution of programmes intended to damage or interrupt a computer system (615-quinquies of the Criminal Code).

Finally, for the offences set out in the third paragraph of article 24-bis, the sanctions prohibiting the organisation from entering into contracts with the public administration will be applied (unless to obtain the services of a public organisation) in addition to exclusion from any facilities, financing, contributions or subsidies and the possible revocation of those already granted, as well as a ban on advertising goods or services.

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The approval of Law 94/09 of 15 July 2009 (article 2, paragraph 29), containing measures on public safety, expands Legislative Decree 231/01 to include the new article **24-ter**¹⁹ on organised crime offenses. The new article emphasises the relevance of crimes of association, specifically offences of criminal conspiracy in relation to the mafia or drug trafficking, which were previously only relevant in the context of transnational crime). This extends the offenses for which the organisation may be held responsible to include political/mafia clientelism, kidnapping for robbery or ransom and the manufacture and trafficking of offensive weapons, explosives and smuggled weapons.

The inclusion of organised crime offences among the offences set out in Legislative Decree 231/01 is not completely new. Article 10 of Law 146/2006 "Ratification of the UN Convention against Transnational Organised Crime" had already included a number of crimes of association among the specified offences, provided that these crimes were transnational in nature. The introduction and extension to include domestic offences is a response to the need to intensify the fight against corporate crime.

Law 99/09 of 23 July 2009 containing "*measures for the development and internationalisation of companies, and measures relating to the energy sector*" expands Legislative Decree 231/01 to include the new **article 25-bis.1**, marking the incorporation of offences associated with crimes against industry and trade organisations²⁰, and **article 25-novies** on crimes relating to infringements of copyright²¹. The approval of the above-mentioned law resulted in the new wording of **article 25-bis** (*Forgery of money, public credit notes, duty stamps, identification devices and distinctive signs*) that introduces offences relating to the forgery of identification devices and distinctive signs²².

¹⁹ In particular, in the event of the organisation being convicted of the following offences: criminal conspiracy, if the aim of the conspiracy was to commit any of the offenses specified in articles 600, 601 and 602, or in article 12, paragraph 3-*bis*, of the consolidated law on immigration and the legal status of foreigners, pursuant to Legislative Decree 286 of 25 July 1998 (article 416, paragraph 6 of the Criminal Code), association with the mafia (article 416-*bis* of the Criminal Code), political/mafia clientelism (article 416-*ter* of the Criminal Code), kidnapping for ransom (article 630 of the Criminal Code), conspiracy for the illegal trafficking of drugs and psychotropic substances (article 74, Presidential Decree 309/90 "Consolidated law on drugs and psychotropic substances, and the prevention, cure and rehabilitation of associated cases of drug dependency"), criminal conspiracy (article 416 of the Criminal Code, excluding paragraph 6) and offences relating to the manufacture and trafficking of offensive weapons, explosives and smuggled weapons (article 407, paragraph 2, letter a) of the Penal Code).

²⁰ In particular, in the event of the organisation being convicted of the following offences: restricting the freedom of action of industry and trade organisations (article 513 of the Criminal Code), commercial fraud (article 515 of the Criminal Code), selling non-genuine food substances as genuine (article 516 of the Criminal Code), selling industrial products with false distinctive marks (article 517 of the Criminal Code), manufacturing and selling goods that infringe industrial property rights (517-*ter* of the Criminal Code), counterfeiting geographical indications and designations of origin for agri-foodstuffs (article 517-*quater* of the Criminal Code), unlawful competition involving threats or violence (article 513-*bis* of the Criminal Code) and fraud against national industries (article 514 of the Criminal Code).

²¹ Law 633/1941 "Protection of copyright and other rights associated with its exercise", articles 171, 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies*.

²² The changes to the body of the article involve the introduction of letter f-*bis* and the administrative responsibility of organisations for offences of counterfeiting, alteration or use of the distinctive marks of intellectual property or industrial property (article 473 of the Criminal Code) and the introduction into the country and sale of products bearing false marks (article 474 of the Criminal Code).

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Law 116 of 3 August 2009²³ expands Legislative Decree 231/01 to include the new **article 25-novies**, which applies a fine of up to 500 units for offences that involve inducing another person to withhold information or provide false information to the judicial authority (article 377-*bis* of the Criminal Code).

1.2.2. The Recipients of the Decree

The law identifies the **Recipients** as “organisations with legal personality, companies with legal personality and companies and associations, including those without legal personality” (article 1, paragraph 2). The description does not apply to “the State, local government organisations and organisations performing constitutionally related activities” (article 1, paragraph 3). As can be seen, the range of Recipients is very wide and means that the limits of applicability are not always easily identifiable, particularly in the case of organisations operating in the public sector. There is no doubt, in this respect, that the rules in question apply to private companies performing a public service (based on a concession, etc.). For these organisations, as well as public economic agencies, issues of responsibility extend beyond those applicable to all Recipients of the law to include active and passive corruption²⁴.

It should be remembered that this new responsibility only arises when certain types of offences are committed by persons associated in various ways with the organisation and only in cases where the illegal conduct takes place in the *interest* or *for the benefit* of the organisation. Therefore, not only when the illegal conduct has produced a benefit, whether monetary or not, for the organisation, but also when, even where no concrete result has been achieved, the reason for the offence lies in the *interest* of the organisation.

1.2.3. Senior managers and subject individuals

The organisation will not be responsible where the perpetrators of the offence, whether they are Senior Managers or Individuals subject to third-party supervision, have acted in the exclusive interest of themselves or of third parties.

In other cases, however, the legislation distinguishes between two different scenarios.

1. Where Offences are committed by Senior Managers (article 5, paragraph 1, letter a), legislators have reversed the burden of proof: it is down to the organisation – as part of its declaration of exemption from responsibility – to prove that:
 - a) the Management Body adopted and effectively implemented, before the offence was committed, organisation and management models suited to preventing offences of the kind that took place;
 - b) the task of supervising the operation and compliance with the Models and ensuring that they are updated has been entrusted by the organisation to a body vested with independent powers of initiative and control (Supervisory Body);

²³ Law 116 of 3 August 2009 on the “*Ratification and execution of the UN Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with resolution 58/4, signed by the State of Italy on 9 December 2003, as well as legislation on internal adjustments and changes to the Criminal Code and Penal Code*”.

²⁴ It is useful in this respect to highlight the decision taken by the Court of Cassation, which asserted that these rules apply exclusively to collective parties, i.e. those with an organised and complex structure, therefore expressly excluding sole -trader companies from the scope of the legislation (see Cass. VI Pen. 18941/2004).

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- c) the individuals committed the offence by fraudulently evading the Organisation and Management Models;
 - d) there was no omission or insufficiency in the supervision activities implemented by the Body referred to in letter b).
2. If the offence is committed by individuals subject to third-party supervision (article 5, paragraph 1, letter b), the organisation is held responsible in the event that the offence was made possible by non-compliance with management or supervision obligations. In this case, evidence of the organisation's responsibility must be provided by the public prosecutor.

Non-fulfilment of management or supervision obligations is ruled out, pursuant to article 7, paragraph 2, of the Decree, if "prior to the commission of the offence, the organisation adopted and effectively implemented an organisation, management and control model suited to preventing offences of the kind that took place".

1.2.4. The exonerating condition

Article 6 of the Decree does however provide an "**exoneration**" from responsibility for the organisation if it is demonstrated, during criminal proceedings for one of the offences in question, that an organisation, management and control model had been adopted to prevent the criminal offences in question being committed.

The system provides for the establishment of an internal control body with the task of supervising the actual effectiveness of the Model: the Supervisory Body.

Therefore, a specific form of exoneration from responsibility can be achieved if the company can demonstrate that:

- a) the Management Body adopted and effectively implemented, before the offence was committed, an organisation and management model suited to preventing offences of the kind that took place;
- b) the task of supervising the operation and compliance with the Model and of ensuring that it is updated has been entrusted to a body within the company vested with independent powers of initiative and control;
- c) the individuals who committed the offences acted by fraudulent evasion and therefore infringement of the Model;
- d) there was no omission or insufficiency in the supervision activities implemented by the Body referred to in letter b).

Exoneration from corporate responsibility requires a judgement to be made about the prior existence and suitability of the Model, which the criminal judge is required to make during any criminal proceedings involving the legal entity suspected of committing the offence. The Model itself and the way in which activities are organised by the control body must therefore aim to ensure that this judgement of suitability has a positive outcome. This objective requires organisations to assess the adequacy of their procedures in terms of the requirements stated above, bearing in mind that the provisions in question have already come into force. The adoption of the Model and its additions and amendments thus become necessary for the protection of the Company, even if no specific legal obligation exists.

As stated above, application of the considerable sanctions provided for in the Decree has a direct effect on the economic interests of shareholders. The Board of Directors therefore must guarantee implementation of the Model and compliance with the preventive protocols in the areas at risk of offences being committed,

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both for present and future requirements. For this purpose, the Board of Directors will rely on the managers of the various areas and departments concerned by activities at risk of offences being committed and on the Supervisory Body, which will exercise its independent powers of initiative and control over these areas.

In order to provide concrete assistance to companies and associations in drawing up their models and identifying a control body, the guidelines drawn up by Confindustria contain a series of suggestions and measures, essentially drawn from corporate practice, which are considered suitable to fulfilling the requirements set out in Legislative Decree 231/01, and therefore suited to providing significant guidance to the organisation in creating the Model and establishing the Supervisory Body, with its respective duties.

1.3. The Confindustria guidelines

In drawing up this Model, the utmost attention has been paid to the guidelines issued by Confindustria, as well as to all recent jurisprudence.

The guidelines identify the essential features of a Model as follows:

1. **identification of risks**, i.e. an analysis of the company's structures in order to determine where (in which area/sector of business) and how the offences identified by the Decree might arise;
2. **design of the control system** (Protocols), i.e. an assessment of the existing control system and of any adaptation required to effectively counter the risks previously identified.

Confindustria identifies the components of the preventive control system that must be implemented throughout the company to prevent **intentional offences** and ensure the effectiveness of the Model as follows:

- adoption of a Code of Conduct relating to the offences considered;
- adoption of a sufficiently formalised and clear organisational system, particularly as regards the allocation of responsibilities;
- adoption of manual and computerised procedures;
- adoption of a system of authorisation and signature powers;
- adoption of a management control system;
- adoption of a communication and staff training system.

The components identified above must be inspired by the following principles:

- each operation, transaction or action must be verifiable, documented, consistent and coherent;
 - no-one may manage an entire process alone;
 - the control system must document the controls carried out.
3. **appointment of the Supervisory Body** (hereinafter SB), i.e. the body to be entrusted with the task of supervising the operation and compliance with the Model and its updating;
 4. **provision of an adequate disciplinary system** or punishment mechanisms for infringements of the Code of Conduct and procedures required by the Model.

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1.4. Offences relating to health and safety at work

With regard to the risk of illegal conduct relating to health and safety at work, the general system must take into account the requirements of existing prevention legislation and, in particular, of Legislative Decree 81 of 9 April 2008, the “Consolidated act on health and safety in the workplace”. This series of rules sets out a “system” of coherent principles and obligatory compliance issues, the application of which – if they are appropriately supplemented/adapted in accordance with the “Organisation Model” required by Legislative Decree 231/01 –, for the exoneration purposes of Legislative Decree 231/01 itself, can reduce to an “acceptable” level the potential for conduct fulfilling the premises for a judgement of manslaughter or serious or very serious unintentional injury committed with a violation of accident prevention legislation.

In coordination with the chart contained in Legislative Decree 231/01, to which it expressly refers, article 30 of Legislative Decree 81/2008 states that if the organisation has adopted and effectively implemented an organisation and management model suited to ensuring compliance with the legal requirements and duties regarding health and safety at work, it can obtain exemption from responsibility (“exoneration”).

In the specific case of offences relating to health and safety at work, the organisation would be held responsible, and prosecuted in the criminal courts, if the offences of manslaughter and serious or very serious injury occurred at the workplace and were made possible by the organisation owing to non-compliance with the rules on the prevention of accidents at work.

For example, savings on maintenance costs, accident prevention measures, training of workers and employees, which are improper and disproportionate to the organisation’s capacity could constitute an interest or benefit for the organisation, and be interpreted as conduct that violates the rules on the prevention of accidents in the workplace.

Confindustria identifies the components of the preventive control system that must be implemented throughout the company in order to prevent the above offences and ensure the effectiveness of the Model as follows:

- Code of Conduct referring to the aforementioned offences.

This is also an expression of the company’s policy on health and safety at work, and indicates the vision, essential values and convictions of the company in this field. It therefore serves to establish the direction, action principles and results to be pursued in this respect.

- Organisational structure.

An organisational structure is required that assigns tasks and responsibilities for health and safety at work in accordance with the provisions of Legislative Decree 81/2008 and other sources in this field, consisting of legislation, good technique, good practice and any available guidelines. Duties and responsibilities must be formally defined in accordance with the company’s organisation and function, for everyone from the employer to the individual worker. Special attention must be paid to the specific roles and offices required by the aforementioned Legislative Decree 81/2008 to operate in this field (RSPP - *Responsabile del Servizio di Prevenzione e Protezione* [prevention and protection service manager], ASPP – *Addetti al Servizio di Prevenzione e Protezione* [prevention and protection service workers], RLS – *Rappresentante dei Lavoratori per la Sicurezza* [workers’ safety representative], MC - *Medico Competente* [appointed doctor], first aiders, worker appointed to deal

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with fire emergencies) and to the documents, including the DUVR – *Documento Unico di Valutazione del Rischio* [single risk assessment document], the DUVRI – *Documento Unico di Valutazione dei Rischi da Interferenze* [single interference risk assessment document], etc., which the law requires for the purpose of maintaining safety.

This structure essentially means that:

- the description of the organisational tasks and operational objectives of the company's management, directors, managers and workers must also include a definition and explanation of their safety-related activities and of their respective responsibilities, i.e.:
 - respect for legal, technical and structural requirements relating to plant, equipment, workplaces, chemical, physical and biological agents;
 - planning: identification of danger, risk assessment and definition of control systems;
 - preparation for and response to emergencies;
 - in particular, the duties of the RSPP and any workers assigned to this service, of the RLS, of the workers assigned to managing emergencies and of the appointed doctor, as well as the resources, responsibilities, including those of a financial nature, and relevant authorities must all be documented.
- Training.

The performance of duties that may have an effect on health and safety at work is essential to ensure the efficient operation of the Model and an appropriate and suitable control and prevention system for health and safety at work. This requires appropriate skills that must be verified and developed by providing training. These training activities are aimed at ensuring that all staff, at every level, are aware of how important it is for their actions to conform to the Organisational Model and of the potential consequences of behaviour that diverges from the rules dictated by the Model.

Essentially, each worker/person operating in the company must receive sufficient and appropriate training relating to his/her job and duties. This must be provided at the time when the worker is hired or transferred to other duties or upon the introduction of new equipment, technologies and substances or hazardous preparations.

The company must arrange training according to the periodically identified requirements.

- Communication and participation.

It is important for information to circulate within the company in order to encourage the involvement of all the interested parties and allow all levels to remain aware and engaged.

Involvement must be achieved by consulting people in advance regarding the identification and assessment of risks and establishing preventive measures, and periodic meetings that at the very least take into account the requirements of existing legislation, also using the meetings planned for company management purposes.

- Operational management.

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The control system relating to health and safety risks at work must be integrated and consistent with the overall management of company processes.

The methods for carrying out activities that have a significant impact on health and safety at work must be based on an analysis of the company processes and of the ways in which they interrelate, as well as on an assessment of the risks.

In this respect, specific attention must be paid to:

- the process of hiring and training personnel;
- the organisation of work and work stations;
- the purchase of goods and services used by the company and the supply of appropriate information to suppliers and contractors;
- scheduled and unscheduled maintenance;
- qualification and selection of suppliers and contractors;
- management of emergencies;
- procedures for dealing with non-compliance with the established objectives and control system rules.

- Safety monitoring system.

The management of health and safety at work must include a stage aimed at verifying the risk prevention and protection measures adopted and deemed to be suitable and effective. The technical, organisational and procedural measures taken by the company for prevention and protection purposes must undergo scheduled monitoring.

The monitoring plan must provide for the following:

- timetable of checks (frequency);
- allocation of executive duties and responsibilities;
- description of the procedures to be followed;
- definition of procedures for reporting any situations of non-compliance.

Systematic monitoring must therefore be put in place, and this should include the minimum applicable measures required by Legislative Decree 81/2008 and the other aforementioned sources intended to prevent and manage the risks of accident and illness that may arise in the workplace. Related procedures and responsibilities must be established at the same time as those for operational management.

This **1st level of monitoring** is generally carried out by the organisation's internal resources and either self-monitored by the operator or monitored by the person in charge/director. It may however need to use other internal or external resources for certain specialised aspects (e.g. for instrument checks). It is also a good idea for the checks conducted on the organisational and procedural measures relating to health and safety to be carried out by the individuals already assigned to these duties when allocating responsibilities (generally directors or managers). Among these, the

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Prevention and Protection Service, which is required to draw up the control systems for the measures adopted, to the extent of its responsibilities, is particularly important.

It is also necessary for the company to conduct periodic, **2nd level** monitoring activities on the appropriateness and functionality of the preventive system adopted. Advanced monitoring should allow strategic decisions to be made and be conducted by competent staff who can ensure objectiveness and impartiality, as well as independence from the area of work being inspected, and impose the appropriate sanctions in the event of infringement.

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2. Adoption of the Organisational Model in the context of YOOX S.p.A.

2.1. Structure of the Organisation, management and control model

This Model consists of a “General Section” and a “Special Section” drawn up for the various categories of offence referred to in Legislative Decree 231/01 and deemed to present a risk for the activities conducted by the Company.

The General Section defines the general principles which the Company uses as a point of reference for the management of its affairs and which therefore apply to the Company in a broad sense, rather than for the performance of risky activities.

The Special Section:

- establishes the legal sources with which the Recipients must comply;
- runs through the methodological approach used by YOOX;
- identifies the individual offences that can or potentially could be committed in the company and the respective preventive measures;
- identifies the main principles of conduct to be respected and implemented;
- defines the duties of the Supervisory Body for the individual areas at risk;

in relation to the individual risk areas.

2.2. General principles of adoption of the Model

The Organisational Model has been implemented according to the following general criteria:

- Preparation and updating of the Model.

YOOX S.p.A. shall be responsible for preparing and launching the Organisational Model and for updating it to fulfil any adaptation requirements that may arise over time.

- Application of the Model and implementation checks.

The Company shall also be responsible for applying the Model to the activities actually carried out.

- Coordination of control and verification activities to determine the effectiveness of the Model.

The Supervisory Body of YOOX S.p.A. shall be responsible for driving and generally coordinating the activities required to verify application of the Model within the Company, through communication on the IT network or otherwise, in order to ensure the correct and uniform implementation of the Model. It will also carry out specific measures to monitor individual company departments.

In accordance with the above criteria, the Model will be implemented as explained in the section below.

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2.3. Amendments and supplements to the Model

Since this Model is a document issued by the Management Body (in accordance with article 6, paragraph 1, letter a) of the Legislative Decree, any substantial amendments and supplements to the Model shall be the responsibility of the same Management Body of YOOX S.p.A.

Some sections of the Model may establish the exclusive responsibility of the Management Body of YOOX S.p.A. while others may establish the exclusive responsibility of the Supervisory Body of YOOX S.p.A. in defining specific necessary supplements.

The logo of YOOX S.p.A., featuring a stylized 'Y' inside a circular emblem with a dotted border.	Edited by: N/A	Tested by: YOOX S.p.A.	Approved by: Board of Directors of YOOX S.p.A.
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3. Procedure followed to identify Sensitive Activities and Support Processes

Article 6, paragraph 2, letter a) of Legislative Decree 231/01 requires the identification of “Sensitive Areas” or “At Risk Areas”, i.e. processes and areas of the Company’s activities in which one of the offences expressly referred to in the Decree might be committed.

The operations of the Company have therefore been analysed in the areas/sectors in which there is an appreciable risk of the offences referred to in Legislative Decree 231/01 being committed, highlighting the most significant stages and processes.

At the same time, an examination has been carried out of the constitutive elements of the offences in question, in order to identify the actual conduct that might constitute the offence in the context of the Company.

The method followed by the Company to identify Sensitive Activities and Support Processes in relation to certain types of offence can be broken down into the following stages:

- **Scoping Stage:** detailed definition of the scope of the assessment and identification, using specific questionnaires addressed to the Senior Managers, of the correct company processes and respective reference contacts.
- **Analysis Stage:** assessment of the existing internal control system, gathering, by means of interviews and analysis of documents, the information required to map the main activities that present a risk of offences being committed, listing the potential ways in which the conduct constituting an offence might take place and for which the Company might be held responsible under the terms of the Legislative Decree, analysing and assessing the weaknesses identified and determining possible remedies.

3.1. Identification of Activities at Risk of Offences

In order to specifically identify activities that present a risk of Offences being committed (hereinafter “At Risk Activities” or “Sensitive Activities”), an analysis was carried out on the corporate and organisational structure of YOOX. This analysis was conducted using the documentation relating to the Company (Manual of Accounting Procedures, Internal Organisational Procedures, System of Proxies, etc.).

Pursuant to article 5, paragraph 1, letters a) and b) of the Decree, parties have been identified whose potentially illegal conduct might, in the abstract, lead to the organisation being held responsible.

The aforesaid rule refers to the Senior Managers and staff subject to third-party management. YOOX has interpreted this wording of the law as also referring to individuals with whom it has stable and ongoing relations, including those external to the Company who provide services on a self-employed basis in various ways and in the various forms allowed by the Italian legal system.

Having included these parties among the Recipients of the Model, YOOX intends to use appropriate contractual tools to require compliance with the procedures in the context of all the activities they carry out that are directly associated with the Company’s production process, therefore excluding the organisation of means and resources that is a typical feature of work provided on a self-employed basis.

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A number of interviews were subsequently carried out with senior management and department managers in order to identify both the main areas of At Risk Activities and Support Processes and the contact people directly involved.

As a result of the above, the following areas of YOOX's activities, with the detailed specifications contained in 3.1.1. et seq. and subject to integration with the Special Section of this Model, were found to present an abstract risk of the offences detailed in the Decree being committed, and were therefore the subject of specific and detailed analyses:

- relations with the Public Administration;
- corporate compliance;
- safety and prevention of accidents at work and protection of health and safety at work;
- management of commercial and financial activities that present a risk of money laundering;
- management of IT systems and electronic documents;
- management of confidential information;
- management of editorial content published on websites;
- management of commercial activities that present the risk of an offence being committed against industry and trade organisations and forgery of identification devices or distinctive marks.

In view of its current business, and based on a prognostic assessment of each individual offence described in the Decree, YOOX believes the risk of offences relating to the other criminal activities described in the Decree to be virtually non-existent.

3.1.1. Relations with the Public Administration (and respective Support Processes)

The potentially "at risk" or "sensitive" activities relating to relations with the Public Administration are listed below:

1. managing institutional relations with public administration entities;
2. acquiring contracts with public bodies by private negotiation or involvement in public procedures;
3. managing design activities in the context of services provided to public bodies or which involve public bodies as interested parties;
4. managing relations with public officials for the purpose of fulfilling legal requirements and on the occasion of inspections and checks regarding legislative compliance;
5. managing relations with Public Supervisory Authorities;
6. managing of lawsuits filed by or against the Company;
7. applying for, receiving and managing facilitated public grants and/or financing.

In addition to identifying areas of potential risk or sensitive activities in relations with the public administration, an investigation was carried out of the constituent elements of offences in order to identify concrete forms of conduct which, in the context of YOOX, might constitute criminal offences.

The Support Processes or those instrumental to the offences described in the Decree and considered relevant to YOOX are listed below:

1. managing refunds for expenses and entertainment expenses;
2. managing gifts, sponsorships and presents in general;
3. managing monetary and financial flows;

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4. selecting, hiring and managing staff, and managing benefits;
5. managing professional appointments and consultancy;
6. selecting suppliers and managing supplies.

3.1.2. Corporate compliance

The potentially “sensitive” activities relating to corporate compliance relate to:

1. general accounting management;
2. the preparation of draft statutory and consolidated financial statements;
3. any asset and liability statements required for extraordinary transactions;
4. the management of other company-related compliance.

The Company has completed the process to ensure compliance with Law 262/05²⁵ which involves the preparation of a Manual of Accounting Procedures containing:

- roles and responsibilities of the people involved in the individual stages of the process;
- procedures relating to the main administration and accounting areas;
- information and documentation flows;
- authorisation processes;
- standards of conduct to be complied with when producing information/data and during its validation process;
- control and monitoring of the individual stages.

3.1.3. Safety and prevention of accidents at work and protection of health and safety at work

The introduction of Law 123 of 3 August 2007 (transposing article 25-*septies* into the provisions of Legislative Decree 231/01) regarding safety and the prevention of accidents at work and the protection of health and safety at work, and subsequent amendments implemented by Legislative Decree 81/2008, necessitated a detailed analysis of the management of compliance with the requirements set out by article 30 of the aforesaid legislative decree.

Matters such as:

1. the management of compliance with technical and structural standards and UNI-INAIL or British Standard OHSAS 18001:2007 guidelines;
2. the management of risk assessment activities and the establishment of consequent prevention and protection measures;
3. the management of activities of an organisational nature and of medical supervision activities;
4. compliance relating to communication and employee training activities regarding health and safety at work and supervision of the procedures adopted and compliance with these procedures, and of the instructions to workers on how to ensure the safety of their work;

are all extremely important, both in terms of the powers and specific responsibilities detailed in Consolidated Act 81/2008 and in terms of the rules established by Decree 231, which leaves the said powers,

²⁵ Law 262/2005, on “Provisions for the protection of savings and regulation of the financial markets”, was published in Official Gazette 301 of 28 December 2005 – Ordinary Supplement 208

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responsibilities and independent duties intact but requires the effectiveness of the organisational model adopted by the Company to be assessed also in this respect.

3.1.4. Management of commercial and financial activities which present a risk of money laundering

Legislative Decree 231 of 21 November 2007 – in article 63, paragraph 2 of which legislators made provision for the addition of **article 25-octies** to Legislative Decree 231/01 – implemented Directive 2005/60/EC of the Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and financing terrorism (the Third Money Laundering Directive)²⁶. Consequently, organisations will now be punishable for the offences of receiving stolen goods, money laundering and use of illegal money, even if committed in a purely “national” context, provided that the organisation itself draws a benefit or interest therefrom.

3.1.5. Management of IT systems and electronic documents

By enacting **Law 48 of 18 March 2008** – in article 7 of which legislators provided for the addition of **article 24-bis** to Legislative Decree 231/01 – legislators ratified and implemented the Council of Europe Convention on Cybercrime, signed in Budapest on 23 November 2001. This involved specifying the areas subject to the provisions of this law and an analysis of the provisions of the *Documento Programmatico della Sicurezza* [Safety Programme Document] pursuant to Legislative Decree 196/2003 regarding the protection of sensitive data and IT systems allocated to processing and storing them.

3.1.6. Confidential information

The “at risk” or “sensitive” areas of activity regarding the potential offence of market abuse relate to the management of confidential and price-sensitive information.

3.1.7. Management of editorial content published on websites

Potentially “sensitive” areas of activity regarding offences in relation to infringements of copyright, which were introduced with the approval of Law 99/09 of 23 July 2009²⁷, refer to the activities associated with managing the publication of advertising editorial content or content for special projects.

²⁶ Legislative Decree 231/2007 containing “Implementation of directive 2005/60/EC on the prevention of the use of the financial system for the purpose of laundering the proceeds of criminal activity or for the financing of terrorism, and of directive 2006/70/EC that contains its implementation measures” was published in Official Gazette 290 of 14 December 2007 – Ordinary Supplement 268. The text has been in force since 29 December 2007.

²⁷ Law 99/09 of 23 July 2009 containing “measures for the development and internationalisation of companies, and measures relating to the energy sector” expands Legislative Decree 231/01 to include the new article 25-novies on crimes relating to infringements of copyright.

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3.1.8. Management of commercial activities that present the risk of an offence being committed against industry and trade organisations and forgery of identification devices or distinctive marks

Potentially "sensitive" areas of activity regarding offences against industry and trade organisations and forgery of identification devices or distinctive marks involve the management of:

1. purchasing;
2. incoming goods;
3. quality control;
4. production;
5. distribution;

of products for sale.

The Support Processes or those instrumental to the offences described in the Decree and considered relevant to YOOX are listed below:

1. selecting suppliers and managing supplies.

3.2. Analysis: interview sheets and risk assessment

For each of the Sensitive Activities identified and, for the part relating to relations with the Public Administration, an interview sheet has been prepared for each Instrumental process, containing a description of the operations carried out and the specific Protocols (standards of conduct, internal procedures, separation and definition of roles, authorisation levels, storage, information flows and compensatory/monitoring checks) existing in the context of these activities.

The aforesaid specific Protocols, which have been examined to determine the extent to which they fulfilled the monitoring requirements pursuant to Legislative Decree 231/01, therefore represent only part of the standards forming the Company's Internal Control System.

The information gained from the interviews with the individual contacts has been summarised in a chart listing, for each specific Protocol, the potential improvements that could be made to strengthen impediments to the commission of the offences.

These potential improvement measures, which may relate directly to the Areas at risk of giving rise to offences or to the Instrumental Processes relating to offences, are set out and evaluated in two charts. The criteria used for the assessment take into account the type of business in which the Company is involved and are based on the results of the interviews and on the analysis of existing documentation, taking the provisions of the Legislative Decree as an explicit reference.

The assessment of potential improvements generated a scale of action priorities aimed not only at enabling the Company to adapt to Legislative Decree 231/01 but relating to the Company's organisational structure.

All the documentation resulting from the Scoping and Analysis activities and any subsequent updates is available to the Management Bodies and Supervisory Body of the Company, as well as to the managers of the respective activities and departments.

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3.3. Structure of the interview sheet

In completing the interview sheet, which was divided into an Offence/Risk interview sheet and an Instrumental Process interview sheet, a reference framework was adopted that consisted of the following categories of information:

Introduction

- Coding: which allows the various instruments used to be unequivocally identified and their consistency to be ensured;
- At Risk Activity area: definition of the area at risk of giving rise to an offence;
- Interview date: date on which the interview took place;
- Scope: description of the matters dealt with;
- Contact: name of contact person;
- Company: name of the company to which the contact belongs;
- Position: position held by the contact;
- Main public bodies involved: list of any public bodies involved in the At Risk Activities (only as regards relations with the Public Administration);
- YOOX S.p.A. participants: names of any other people taking part in the meeting.

Main offences and examples of how they might be committed (only for Offence/Risk interview sheets)

Description of the main offences that may relate to the type of activity carried out and examples of the ways in which they might be committed.

Operational aspects

- Description of the activity carried out: presentation of the operational activity carried out by the contact with explicit reference, where possible, to the procedures, policies, guidelines of the company and to the control activities carried out.
- Specific protocols: with reference to the processes, sub-processes or activities, the existing management and control activities and, where appropriate, the implementation required to ensure compliance with the following principles were defined:
 - Standards of conduct: the general standards of conduct, as summarised in the Model, apply to the Recipients of this Model who, in any way, have relations with the Public Administration (e.g. employees, third-party contractors operating with the Public Administration on behalf or in the interest of the Company, etc.), to Recipients who, in any way, are involved in Sensitive Activities regarding corporate Offences, Offences relating to health and safety in the workplace, Offences relating money laundering, and cybercrime (primarily the members of the Company's Management Bodies).
 - Internal procedures: existence of formal internal procedures with the following characteristics: (i) adequate dissemination within the areas of the Company involved in the activity; (ii) regulation of the ways in which activities are carried out; (iii) clear definition of the responsibilities for the activities, respecting the principle of separation between the person initiating the decision-making process, the person carrying it out and completing it, and the person checking it; (iv)

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traceability of actions, operations and transactions by means of appropriate documentary support that states the characteristics of the operations and the reasons for them and identifies the individuals who are in various ways involved therein (authorisation, performance, recording and verification of the operation); (v) objectivisation of decision-making processes by establishing well-defined criteria and reference procedures for the decisions taken by the Company; (vi) establishment of specific control mechanisms (such as reconciliations, balancing of accounts, etc.) to guarantee the integrity and completeness of data managed and information exchanged within the organisation.

- Separation of roles, allocation of responsibilities and management of information flows/data storage: existence of an organisation system that fulfils the following requirements: (i) clarity, formalisation and communication, with particular reference to the allocation of responsibilities, the definition of hierarchical lines and the assignment of operational duties; (ii) correct distribution of responsibilities and provision of adequate authorisation levels (separation of roles) so as to prevent any overlapping of functions and avoid activities that are extremely crucial or risky being concentrated on one person.
- Compensatory/monitoring checks: existence and documenting of control and monitoring activities that involve the Board of Statutory Auditors, the External Auditors, Senior Management and, more generally, all the company's personnel, in their different roles, and which are a compulsory part of the day-to-day activities carried out by YOOX. The control duties assigned to these bodies break down into the following types of checks: (i) line checks, aimed at ensuring the correct performance of operations and carried out by the production structures themselves or incorporated into the procedures; (ii) monitoring activities, aimed at detecting anomalies and infringements of company procedures and at assessing the overall efficiency of the system of internal controls and carried out by structures that are independent of the operational ones; (iii) supervisory activities to verify the proper administration of the Company, the adequacy of organisational structures and compliance with the law and the memorandum of association.

A detailed analysis of the potential risk associated with the Sensitive Activities and Instrumental Processes identified is contained in the documentation prepared during the preliminary analysis activities and during updating activities, and is available as part of the Project documents.

4. Supervisory Body

In order for the Company to benefit from exoneration from responsibility, Legislative Decree 231/01 (article 6) requires the Board of Directors, among other things, to have:

- adopted an organisation, management and control model that is suited to preventing the "relevant offences" (this Model has been adopted by the Board of Directors of YOOX S.p.A.);
- entrusted the duty of supervising the operation, effectiveness and observance of the Model and its updating to a body within the organisation that has independent powers of initiative and control (hereinafter the Supervisory Body or SB).

Entrusting the said duties to the SB and ensuring the correct, continuous and effective performance of these duties are essential premises for the exoneration from responsibility, whether the offence has been

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committed by Senior Managers (expressly mentioned in article 6) or by persons subject to management by third parties (referred to in article 7).

Finally, paragraph 4 of article 7 stresses that effective implementation of the Model requires both the establishment of a disciplinary system and periodic verification of this system by the body appointed to carry out this duty.

4.1. Procedure for appointing and dismissing the Supervisory Body

The SB shall be appointed by resolution of the Board of Directors. The formal declaration of appointment must state:

- the individual(s) appointed to take on the role of the SB and respective responsibilities;
- the period of office, if a term is established, and in any case the possibility of dismissal for just cause.
The dismissal of the SB, like its appointment, must be effected by resolution of the Board of Directors;
- the main duties that the SB is required to perform as part of the activities carried out to monitor and control the efficiency and effectiveness of the Organisational Model (these duties will be described in general terms, as the Body itself will be responsible for drawing up internal rules for its activities – timetable of checks, identification of analysis criteria and procedures, rules regarding the flow of information, etc.);
- the powers that must be vested in the Body in order to ensure that it can operate promptly and efficiently in supervising the operation of and compliance with the Organisation Model;
- the timetable for the Supervisory Body's reporting activities and the bodies to which it must report.

The YOOX Supervisory Body consists of three regular members, and the position of Chairman of the SB is held by an external individual.

YOOX has made this choice regarding the composition of the SB, from among the variety of possible alternatives described in doctrine and practice, on the basis of an assessment of the Company's characteristics in terms of structure, size, operations and business. In light of these considerations, YOOX decided that, compared to solutions such as an SB consisting solely of internal members or, conversely, one consisting solely of external members, it was important to fulfil the requirement of balance, guaranteeing, in the context of a collective body, the continuous contribution of at least one internal member with experience and responsibilities regarding organisation, control, procedures and checks.

The Company also determined that the SB should also include, for the supervision and control activities that it performs, for the benefit of the Company, external professional expertise through at least one external member having no specific role or function within the Company but having a doctrinal and legal view of the problems that the SB might be faced with, as well as a broad knowledge of economic and business issues, also with experience and knowledge of controlling financial flows.

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The members of the SB must have and maintain the required qualities of professionalism, competence and specific experience, and must not be in a position of conflict or joint interest in respect of the functions to be performed.

In accordance with the principles of Legislative Decree 231/01, the SB is entitled to entrust tasks of a technical nature to third parties with the specific skills required to ensure the best performance of this duty, while retaining overall responsibility for supervising the Model.

4.2. Duties of the Supervisory Body

The Organisation, Management and Control Model pursuant to Legislative Decree 231/01 is part of the wider Internal Control System and is concerned with a very specific issue, which is to prevent criminal behaviour relating to a number of specific offences.

The activities that the Body is required to perform, particularly pursuant to articles 6 and 7 of Legislative Decree 231/01, can be summarised as follows:

- supervision of the **effectiveness** of the Model, which consists of verifying consistency between actual conduct and the abstract rules established by the Model;
- assessment of the **adequacy** of the Model, i.e. of its actual (rather than merely formal) ability to prevent all illegal conduct;
- analysis of the **continued fulfilment** by the Model of the requirements of solidity and functionality over time;
- overseeing the necessary and ongoing **updating** of the Model, in the event that the analyses carried out reveal the need to make corrections and amendments, constantly monitoring new legislation and any relevant applications in jurisprudence.

The SB is entrusted with the following tasks in particular:

- overseeing the operation of and compliance with the Model;
- verifying the suitability of the Model and preventing the commission of the offences described in Legislative Decree 231/01;
- analysing the continued fulfilment by the Model of the requirements of solidity and functionality over time;
- promoting, with the organisational units involved, the constant updating of the Model and of the system for supervising its implementation;
- maintaining relations and ensuring the flow of information to the Board of Directors and the Board of Statutory Auditors; preparing a supervision programme that is consistent with the principles of the Model within the various areas of activity; overseeing the implementation of the supervision programme, including the timetabling of activities;
- carrying out checks and inspections, both scheduled and on an ad-hoc basis, in order to ascertain any infringements of the Model, as well as requesting and obtaining information and documentation of all kinds to and from all the levels and departments of YOOX S.p.A.;
- ensuring that reports are prepared on the results of measures carried out;
- promoting constant updating of the system identifying, mapping and classifying risk areas for the purposes of the Body's supervisory activities;

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- promoting initiatives for disseminating knowledge and understanding of the Model, as well as for training staff and building awareness among them of the need to comply with its principles;
- providing clarification regarding the meaning and application of the provisions contained in the Model;
- suggesting an effective system of internal communication to allow information relevant to Legislative Decree 231/01 to be gathered, while ensuring the protection and confidentiality of the reporting person;
- preparing a budget for its activities, to be submitted for Management Body approval; any one-off expenses not included in the budget must also be submitted for prior approval by the Management Body;
- reporting to the competent body any illegal acts that are known to have been committed and arrange for the necessary internal inspections and investigations, as well as the related disciplinary proceedings;
- reporting the infringements found to the relevant body for the launch of the disciplinary procedure;
- verifying that any infringements of the Model have been effectively and adequately sanctioned.

Furthermore, article 52 of Legislative Decree 231/2007 requires the various management control bodies, including the SB, which are subject to the rules, to oversee compliance with anti-money laundering legislation and to report any infringements of the respective provisions that may come to their knowledge in the performance of their duties or which they may otherwise become aware. The infringement of these duties is punishable by criminal law under paragraph 5, article 55 of the aforementioned Legislative Decree.

It is important to note that, despite the establishment of the Supervisory Body pursuant to Legislative Decree 231/01, the senior management body (e.g. the Board of Directors) retains all the duties and responsibilities stated in the Civil Code²⁸, which are in addition to those relating to the adoption and effectiveness of the Model and the establishment of the Supervisory Body (article 6, paragraph 1, letters a) and b)).

Furthermore, because of its professional affinity and the duties assigned to it by law, the Board of Statutory Auditors will be one of the Supervisory Body's "institutional" points of contact. Given that they are responsible for assessing the adequacy of the internal control systems, the statutory auditors must always be informed of any relevant offence that may be committed, and of any shortcomings in the Model.

4.3. Requirements and powers of the Supervisory Body

The main requirements of the SB are the following:

²⁸ See the new article 2392 of the Civil Code "(Responsibility towards the company). Directors must fulfil the duties placed in them by the law and the bylaws with the diligence required by the nature of their office and their specific responsibilities. They shall be jointly responsible to the company for any damages arising from a failure to fulfil these duties, unless these duties are assigned to the executive committee or consist of functions assigned to one or more of the directors.

In any case, pursuant to the provisions of the third paragraph of article 2381, the directors shall be jointly responsible if, although they were aware of the prejudicial actions, they failed to do what they could have done to prevent them or eliminate or reduce their damaging consequences.

The responsibility for the actions or omissions of directors shall not extend to any among them who, being free of any guilt, had his/her disagreement recorded without delay in the book of meetings and resolutions of the board, immediately reporting this to the chairman of the board of statutory auditors."

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- Autonomy and independence²⁹

The position of the SB within the Company must guarantee the autonomy of the control initiative from any form of interference and/or influence by any part of the organisation (particularly the Management Body). The fulfilment of these requirements is ensured by establishing the Supervisory Body as a staff unit to the Board of Directors and requiring it to report directly to the Management Body as a whole, without the involvement of any of the other bodies, structures or functions of the Company, including senior managers, with which the SB is free from any hierarchical relationship.

In order to guarantee its independence, autonomy and objectivity of judgement, the SB cannot perform any operational duties.

In addition to the professional expertise and technical knowledge required, the members of the YOOX S.p.A. SB must fulfil the requirements of honour and morality³⁰ and be free of any conflicts of interest and family relationship up to the fourth degree of kinship with and/or be the spouse of members of the Management Bodies or the Board of Directors. The fulfilment of these requirements guarantees the autonomy and independence required for their duties.

In particular, the members of the Supervisory Body must fulfil the following requirements, and continue to fulfil them throughout their period of office:

- not be associated in any way or for any reason, neither directly nor indirectly, with significant shareholdings in the Company;
- not be in any of the judicial situations stated in article 2382 of the Civil Code (barred, disqualified, bankrupt or convicted with a sentence that involves a ban, whether temporary or permanent, on holding public office or disqualification from holding managerial positions);
- not hold executive or managerial positions or have family relationships up to the second degree of kinship with or be the spouse of any person who does;
- not have been convicted (including with reference to plea bargaining pursuant to article 444 of the Penal Code) of any of the specified offences;

²⁹ It is appropriate here to refer to the text of Legislative Decree 231/01 regarding the aforesaid requirement for autonomy and independence (the latter term referring in particular to the independence of judgement of the Supervisory Body from the individuals subject to control): *“article 6, paragraph 1, letter b) - the duty to oversee the operation of and compliance with the models, and to ensure that they are updated, has been entrusted to a body within the organisation with independent powers of initiative and control”*.

It is immediately apparent that the need to ensure an overlap between the *“autonomous and independent subject”* and the exercise *“of autonomous powers of initiative and control”* can be ruled out.

³⁰ The intention of this being to exclude cases of barring, disqualification or bankruptcy, convictions for crimes against the Public Administration, judicial authorities and public faith, economic, industry and trade organisations, for crimes of murder, theft or robbery, extortion, fraud, misappropriation, receiving of stolen goods and any other intentional crime for which the law has imposed a penalty of imprisonment for no less than two years and no more than five years; furthermore, cases of preventive legal measures to combat mafia-style crime, convictions for the possession of drugs and psychotropic substances; proceedings relating to offences set out in the Decree and, in the case of professionals registered in professional registers, cases of disciplinary sanctions such as suspension.

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- not be subject to investigations in relation to the offences that the Model is intended to prevent, or other offences deemed by the Board of Directors to be serious and incompatible with the role and functions of the Body.

In all these cases, however, the Board of Directors can evaluate the arguments put forward by the person in question and, with the approval of the other members of the Body, can decide not to replace that member but instead allow him/her to remain in the role until the outcome of the process, providing adequate grounds for this decision.

- Professionalism

The SB must have the tools and technical resources required to perform the activity assigned to it effectively. These shall be the specialist technical resources typical of any person who carries out “inspection” activities or provides advice regarding the analysis of control systems or legal advice, particularly regarding criminal and administrative law, as well as advertising and employment law. Knowledge of the structure of offences and the way in which they are committed is therefore essential and may be gathered by using the Company’s resources or relying on external advice.

As regards the protection of health and safety at work, the SB must avail itself of all the resources available for managing related aspects, including those provided by regulations applicable to the industry.

- Continuity of action

In order to guarantee constant and effective implementation of the Model, a dedicated unit assigned to overseeing compliance with the Model is required which, as previously mentioned, has no internal operational duties that may lead it to take decisions with economic and financial effects.

The responsibility for decisions regarding ongoing action by the Supervisory Body, such as the timetabling of activities, the minuting of meetings and rules regarding the flow of information from company departments to the Supervisory Body, is assigned to the Supervisory Body itself, which must regulate its own internal operation.

- Other requirements

The activities performed by the Supervisory Body cannot be audited by any other company body or structure, although the Management Body is required to monitor the adequacy and promptness of its work, given that ultimate responsibility for the operation and effectiveness of the Organisational Model rests with the Management Body.

Furthermore, the SB shall have free access to all company departments – without any need for prior consent – in order to obtain any information or data deemed necessary for the performance of the duties established by Legislative Decree 231/01 at any time.

If it should consider it necessary, the SB may avail itself – under its direct supervision and responsibility – of the assistance of any structure of the Company or external Consultant.

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Finally, the Management Body must approve adequate provision of financial resources, proposed by the Supervisory Body itself, which the Supervisory Body may use for any requirement associated with the proper performance of its duties (e.g. specialised advice, travel, technical resources, etc.).

4.4. Flows of information to the Supervisory Body and reporting by the Supervisory Body

In addition to the information and documentation required by the special section set out in the following chapters and any further information that may be needed during the performance of its monitoring activities, the SB must receive reports regarding implementation of the Model, the perpetration of any of the Offences described in the Decree in relation to the Company's activities or any conduct that does not comply with the standards of conduct adopted by the Company.

The Company's SB will assess the reports received, even anonymously if they are appropriately detailed, and any consequent measures at its discretion and under its responsibility, if necessary interviewing the person who submitted the report and/or the person responsible for the alleged infringement, and providing written justification for any decision to proceed with an internal investigation.

The Company's SB will act in such a way as to protect the reporting persons against any form of retribution, discrimination or penalisation, while also ensuring the confidentiality of his/her identity, subject to its duty to comply with legal requirements and to protect the rights of the Company and of any person who may be accused wrongly and/or in bad faith.

In the context of the Company, all the operational and managerial structures must provide the Supervisory Body:

- periodically, with the information identified by the Supervisory Body and requested thereby from the individual organisational and managerial structures of the Company by means of internal directives. This information must be supplied in the form and by the deadlines established by the Supervisory Body;
- as and when, with any other information of any kind, even from third parties, regarding the implementation of the Model in the areas of At Risk Activities and compliance with the provisions of the Decree, which the Supervisory Body might deem useful for the purposes of performing its duties.

In particular, the Supervisory Body must be supplied with information regarding:

- any action by and/or information from the police authorities, or any other authority, which may reveal that investigations are being carried out regarding individuals, companies or third parties that have relations with YOOX in relation to the "relevant Offences" referred to in Legislative Decree 231/01;
- any requests for legal assistance submitted by the directors, managers and/or employees in the event of legal proceedings being initiated in relation to the "relevant Offences" referred to in Legislative Decree 231/01;

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- any reports drawn up by the managers of the various company departments, which might reveal facts, conduct, events or omissions that may contribute to or involve responsibility for the “relevant Offences” referred to in Legislative Decree 231/01;
- information regarding actual implementation of the Organisational Model at all levels of the Company, providing evidence of the disciplinary procedures taken and any punishments imposed (including measures taken in respect of Employees) or of decisions to file the procedures, with related reasons.

These reports, drawn up in writing and in non-anonymous form, may come from members of the Company or from third parties and may relate to infringements or suspected infringements of this Model and of the procedures associated with it, conduct that does not conform with the ethical principles of the Company, anomalies or atypical conduct in the performance of activities. The reports received will be assessed at the discretion of the SB.

The SB must be promptly informed about the system of proxies adopted or amended by the Company.

The SB will periodically inform the Board of Directors of any infringements of the Organisational Model that emerge from the aforementioned reports, the disciplinary measures taken, the sanctions imposed and the remedies required during execution.

In particular, the Body will fulfil three reporting obligations:

- an ongoing obligation in respect of the Board of Directors, through the Chairman of the Board of Directors and/or the Chief Executive Officer, whenever it is considered necessary or appropriate for the correct performance of functions and the fulfilment of the duties required by the Decree, supplying any information that may be relevant for the correct performance of its duties and reporting any infringement of the Model that the Supervisory Body may deem to be well-founded and which may have come to its knowledge as a result of a report made by employees or which it may have uncovered itself;
- a periodic obligation in respect of the Board of Directors and the Board of Statutory Auditors, preparing a half-yearly report on the activities carried out, the reports received, any disciplinary sanctions imposed by the parties responsible and suggestions made regarding corrective action planned and their state of progress, in order to remove anomalies that hinder the effective ability of the Model to prevent the commission of the offences described in the Decree;
- an occasional obligation, according to requirements, in respect of the Board of Statutory Auditors if the infringement relates to the Senior Managers of the Company and the Board of Directors. The Supervisory Body may also receive requests for information and clarifications from the Board of Statutory Auditors and the External Auditors.

The Supervisory Body may be invited and/or may ask to address the Board of Directors and the Board of Statutory Auditors at any time.

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5. Training of resources and dissemination of the Model

5.1. Providing training and information to Employees

For the purpose of implementing and ensuring the effectiveness of this Model, YOOX's objective is to ensure that both the existing and future human resources of the Company are fully aware of the principles and standards of conduct it contains, to varying degrees depending on their level of involvement in sensitive processes.

The information and training system shall be supervised and supplemented by activities carried out in this field by the Supervisory Body together with the Human Resources Department and the managers of the other departments involved in implementing the Model.

Information and training shall also be provided to Senior Managers, and shall be carried out in all cases in which it is considered necessary, both subjective, e.g. hiring and/or start of employment, and objective, e.g. as a result of significant amendments to the Model or legal circumstances, e.g. significant additions to Legislative Decree 231/01. Staff and Contractors shall be required to take part in information and training activities, because they are included among the contractual conditions of employment.

Initial communication

The adoption of this Model shall be communicated to all current company staff at the time of its adoption and reported on the company intranet. Any amendments made subsequently and information concerning the Model shall be communicated via the same information channels.

New recruits shall be handed an information pack (e.g. Organisational Model, procedure for confidential information, etc. together with any material required by company practice) in order to ensure that they have the information that is considered to be of primary importance. They shall sign an appropriate form to confirm that they have seen and accepted the contents and certify that this pack has been handed to them and they have noted the Decree published on the intranet.

Training

The training aimed at disseminating knowledge of the provisions of Legislative Decree 231/01 shall be compulsory and varied, in terms of its content and method of provision, which may include e-learning systems depending on the position held by the Recipients, the level of risk presented by the area in which they work and on whether they act as representatives of the Company. In particular, the Company shall arrange for different levels of information and training using dissemination tools including but not limited to periodic targeted seminars, occasional e-mail updates, internal memorandums. Training activity shall relate to the Model with reference to the Decree and its amendments and supplements, but also to the operational context of the Company, in terms of hierarchies, procedures, roles and functions, information flow, etc.

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5.2. Consultants, contractors and suppliers

In coordination with the YOOX S.p.A. SB, additional assessment systems may be set up within the Company by the managers of the respective departments and areas of activity for the purpose of selecting Consultants, Contractors and Suppliers.

Furthermore External Parties to the Company (Consultants, Contractors and Suppliers) will be supplied with appropriate information about the policies and procedures adopted by the Company on the basis of this Model and on the consequences of any infringement of its provisions, as well as the text of the contractual clauses normally used in this respect.

External Parties must be informed of the content of the Model, which will be made known to them by handing it to them in person, and of the need for YOOX S.p.A. to ensure that their conduct conforms to the provisions of Legislative Decree 231/01.

Contracts with third parties (e.g. contractors, consultants, agents, suppliers, etc.) operating in the Public Administration or involved in the performance of activities that present a risk in relation to corporate Offences, health and safety at work Offences, money-laundering Offences, cybercrime and market abuse Offences being committed on behalf or in the interest of YOOX, must:

- be defined in writing, including all their terms and conditions;
- where possible, contain standard clauses, agreed with the Company's Legal Adviser, relating to compliance with Legislative Decree 231/01;
- where possible, contain an appropriate declaration from them stating that they are aware of the regulations contained in Legislative Decree 231/01 and that they undertake to conduct themselves as required by this legislation;
- where possible, contain an appropriate clause governing the consequences of any infringement by them of the regulations contained in Legislative Decree 231/01 (e.g. express resolutive clauses, penalties).

Without prejudice to the requirement that all contracts signed after the date of adoption of the Model by the Company must, where possible, contain Clause 231, in the case of individuals involved in 231 at risk activities (as referred to above) who are already contractually associated with YOOX prior to that date, the Company has sent an information sheet declaring that they are aware of the regulations contained in Legislative Decree 231/01 and, where possible, that they undertake to conduct themselves in accordance with the provisions of the legislation, attaching a statement subsequently returned to YOOX confirming that they have viewed it.

In any case, and particularly if it is not possible to include the above provisions in the contracts, the Company must send contracting third parties a copy of the Code of Conduct, in addition to the aforementioned information sheets.

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6. Disciplinary system

The establishment of an effective system of sanctions, pursuant to article 6, paragraph 1, letter e), of Legislative Decree 231/01, is an essential requirement of the Model that must be fulfilled for the purposes of exemption from corporate responsibility.

The disciplinary system shall be applicable to all Recipients whose conduct not in compliance with the principles and standards of conduct required by this Model – including the internal rules and procedures, which are an integral part of the Model – constitutes non-fulfilment leading to contractual liability in respect of which sanctions of a disciplinary nature and – for external individuals – of a contractual nature are established.

The responsibility for initiating, implementing and defining the disciplinary procedure, based on reports received from Internal Control or the Supervisory Body, shall be entrusted to the Human Resources department, in the context of the duties assigned thereto. This department shall submit any decision to take measures against managers for prior authorisation by the Management Body.

Responsibility for verifying the adequacy of the system of sanctions, the constant monitoring of enforcement procedures in respect of Employees and of any action taken in respect of external parties is entrusted to the Supervisory Body, which shall report any infringements that may come to its knowledge in the performance of its functions.

The implementation of the disciplinary system referred to in this Model, and of the respective sanctions, shall be independent of any criminal proceedings that may be taken if the conduct in question constitutes any kind of offence, and of their result. The disciplinary system shall be disseminated as widely as possible among the Recipients and shall be posted within the Company in a place that is accessible to all Employees.

Conduct that is relevant for the purposes of applying disciplinary and contractual sanctions to Directors, Employees and all Recipients of the Model is divided into:

- a) infringement of procedures, regulations, internal written or verbal instructions;
- b) serious infringements of discipline and/or diligence at work such as to cause a loss of trust in the director and/or employees in the performance of activities at risk of giving rise to an offence, e.g. conduct that is unequivocally directed at committing an offence;
- c) conduct that may result in considerable material and non-material damage or in a situation of considerable prejudice to the Company, which does not allow even a temporary continuation of the relationship, whether of employment or professional service, because it constitutes an offence or conduct set out in the previous paragraph, letter b), committed intentionally.

6.1. Measures in respect of middle managers, office workers and other employees

Infringement by Employees of the standards of conduct referred to in this Model shall constitute a non-fulfilment of the duties arising from the employment contract and a disciplinary offence. The rules that dictate the disciplinary procedure are contained in article 2104 of the Civil Code on the diligence of employees and

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article 2105 of the Civil Code on the employee's duty of loyalty, in addition to article 7 of Law 300 of 30 May 1970 regarding the procedural guarantees applicable in this respect. The sanctions enforceable against Employees are additional to the ones provided for in the Company's disciplinary code and are adopted in accordance with the procedures established therein pursuant to article 7 of Law 300 of 30 May 1970 (Workers' Statute) and Chapter V – Section XXI "Duties of staff and disciplinary rules" of the national collective labour agreement and any special rules applicable.

In relation to the above, the Model refers to the system of sanctions as governed by the agreed rules contained in the national collective labour agreement (see the aforementioned CHAPTER XXI – "Duties of staff and disciplinary rules").

The categories adopted describe the conduct that is punished according to the importance of the individual offences considered and the actual sanctions established for the commission of the offences themselves according to their severity.

Failure on the part of the employee to comply with the provisions of the contract may lead, in proportion to the severity of the infringement and any repetition of the conduct by the employee, to the following sanctions being applied:

- "written warning" in the event of a failure to comply with the principles and standards of conduct established by this Model or infringement of the internal rules and procedures established and/or referred to or conduct, within sensitive areas, that does not conform to or is not consistent with the requirements of the Model, and falls within the categories described in paragraph 6, letter a).
- "fine" not exceeding the value of four hours of normal pay in the event of a repetition of conduct that is punishable with a written warning, up to three times, or failure to comply with the internal principles and procedures established in this Model or conduct that does not conform to the requirements of the Model, in the performance of Activities in At Risk Areas, and falls within the categories described in paragraph 6, letter a), above;
- "suspension from pay and work for a maximum of ten days" in the event of the conduct referred to in paragraph 6, letter a) being repeated for up to three times, or of a failure to comply with the principles and standards of conduct established by this Model or conduct, in the performance of Activities in At Risk Areas, that does not conform to the requirements of this Model and is unequivocally directed at committing one of the offences punished by the Decree and falls within the categories described in paragraph 6, letters b) and c), above;
- "disciplinary dismissal without notice and with other relevant and legal consequences in the event that, in the performance of Activities in At Risk Areas, the employee behaves in a way that clearly infringes the requirements of this Model, is such as to lead to measures being taken against the Company under the terms of the Decree, and falls within the categories described in paragraph 6, letters b) and c), above.

6.2. Measures in respect of managers

In the event of an infringement by managers of the principles, rules and internal procedures established by this Model or of conduct, in the performance of activities included in sensitive areas, that does not conform to the requirements of the Model, the appropriate measures will be taken in respect of the individuals responsible.

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The Company, in accordance with article 6 paragraph 2, letter e) of Legislative Decree 231/01, deems it appropriate to extend the procedural guarantee set out in the Worker's Statute – Law 300/70 article 7 – to managers as well.

Taking into account the severity of the infringement(s) and any repetition thereof, as well as the relationship of trust that characterises employment relationships, managers who infringe the provisions set out in the Model will be subject to the following sanctions:

- reprimand letter (minor infringements);
- suspension of duties and pay (serious infringements);
- termination of employment (serious infringements that are detrimental to the Company).

These measures do not prejudice the Company's right to compensation for any damage suffered as a result of the Manager's actions.

6.3. Measures in respect of directors

In the event of a violation of the Model and/or the associated Protocols by the Directors of the Company, the Supervisory Body – once it is aware of the matter – shall inform the whole Board of Directors and the Board of Statutory Auditors, which shall take the appropriate measures.

The Board of Directors shall consider serious infringements of the Model and/or the associated Protocols by the Company's Directors as potential just cause for the suspension of the director. A serious, unjustified infringement shall be deemed to have occurred if a crime has been committed.

On the basis of the seriousness of individual infringements, the Company shall also be able to impose sanctions such as a written reprimand or other measures provided for under Italian employment law.

6.4. Measures in respect of statutory auditors

In the event of an infringement of the Model by one or more of the statutory auditors, the Supervisory Body shall inform the whole Board of Statutory Auditors and the Board of Directors, which will propose the appropriate measures to the Shareholders' Meeting.

6.5. Measures in respect of consultants and contractors

Any infringement by consultants and contractors of the rules contained in the Model adopted by YOOX S.p.A. that are applicable thereto or commission of an offence described in Legislative Decree 231/01 shall be punished in accordance with the specific clauses included in the related contracts, which must be expressly accepted, whether they are penal clauses, provisions for suspension of proxies and/or offices, loss of the right to bonuses, etc.

The above shall be without prejudice to any claim for compensation if the conduct should result in damage to the Company, whether material or non-material, (e.g. in the event of the enforcement on the Company by the judge of measures provided for in Legislative Decree 231/01).

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7. Updates and amendments to the Model

The Model shall be subject to two types of checks:

- documentation checks: each year, checks will be carried out on the main corporate documents and the most important contracts signed by the Company in "at risk" areas of activity;
- procedural checks: periodic checks will be performed to ensure that the Model is operating in the way set out by the SB.

Furthermore, a review will be conducted of all the reports received during the year, the action taken by the SB and by other individuals involved in events deemed to be risky, and staff awareness of potential offences specified by the Decree, based on spot-check interviews.

The end result of the checks will be a report to be submitted to the YOOX S.p.A. Board of Directors (along with the annual report prepared by the SB) highlighting any possible shortcomings and suggesting steps to be taken.

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