

VALENTINO

**ORGANISATION, MANAGEMENT,
AND CONTROL MODEL
PURSUANT TO LEGISLATIVE DECREE 231/01
OF
VALENTINO S.P.A.**

Approved by the Board of Directors on May 12, 2025

GENERAL PART

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1. LEGISLATIVE DECREE 8 JUNE 2001, NO. 231 ON ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS INCLUDING THOSE WITHOUT LEGAL STATUS

1.1. Administrative liability of Legal Entities

Legislative Decree No. 231 dated 8 June 2001, in implementing Delegated Law No. 300 of 29 September 2000, has introduced the “*Regulation on administrative liability of legal entities, companies and associations including those without legal status*” (hereinafter, for brevity, “**Legislative Decree No. 231 of 2001**” or the “**Decree**”) in Italy, within the context of a broad legislative process of contrast to corruption, adjusting the Italian regulations relating to the administrative liability of legal entities to a number of International Conventions previously executed by Italy.

Therefore, Legislative Decree No. 231 of 2001 sets forth a system of administrative liability (essentially comparable to criminal liability) applicable to legal entities¹ (hereinafter, for brevity, the “**Entity/Entities**”), which adds on to the liability of the natural person (as better identified below) who materially committed the offense and that aims at involving, in the latter’s punishment, the Entities in the interest of or to the advantage of which the offense has been committed. Only the offences peremptorily listed in Legislative Decree No. 231 of 2001 imply the administrative liability set forth therein.

Article 4 of the Decree further specifies that, in some instances and at the conditions set forth by articles 7, 8, 9 and 10 of the Italian Criminal Code, Entities having their main seat in Italy are administrative liable for the offences committed abroad by natural persons (as better identified below), on condition that the State in which the offence has been committed does not criminally charge such Entities.

1.2. The Persons subject to Legislative Decree No. 231 of 2001

The individuals who, in committing an offence in the interest or to the advantage of the Entity, can determine its liability are the following:

- (i) natural persons having top managements positions (representation, administration, or direction of the Entity or of one of its organisational units with financial and functional autonomy, or individuals who carry out, even de facto, management and supervisory functions (hereinafter, for brevity, “**Top Management**”);
- (ii) natural persons subjected to the direction or supervision of one of the members of the Top Management (“**Subordinate Staff**”).

¹ Article 1 of Legislative Decree No. 231 of 2001 has specified the scope of the persons which are subject to the regulation to the “*entities with legal status, companies and associations, including without legal status*”.

In light of this, the regulation applies to:

- private-owned entities, i.e. entities with legal status and associations “*including without*” legal status;
- governmental economic entities [*enti pubblici economici*], i.e. governmental entities but without public powers;
- mixed entities, governmental/private-owned (“mixed companies”).

On the other hand, the Decree does not apply to the following persons: the State, local public entities (Regions, Provinces, Municipalities and Mountain Communities), non-economic governmental entities and, in general, all entities that perform functions of constitutional importance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., etc.).

In this regard, it should be noted that it is not necessary for Subordinate Staff to have an employment relationship with the Entity; such term should also include *“those workers who, although not “employees” of the Entity, have such a relationship with it as to suggest that there is a duty to supervise on the part of the Entity’s top management: for example, agents, partners in joint venture operations, “parasubordinate” workers in general, distributors, suppliers, consultants, independent contractors”*.

As a matter of fact, according to the scholars’ prevailing interpretation, situations in which a particular assignment is entrusted to independent contractors, who are required to perform it under the direction or control of the Top Management, are relevant for the purposes of the entity’s administrative liability.

It is in any event appropriate to recall that, by express legislative provision (Article 5, paragraph 2, of the Decree), the Entity is not liable if the aforesaid individuals have acted in their own exclusive interest or in that of third parties. In any event, their conduct must be referring to that “corporate” relationship whereby the natural person’s actions can be charged to the Entity.

1.3. Predicate Offences

The Decree refers to the following offences (hereinafter, for brevity, also the “**Predicate Offences**”):

- (i) offences against the Public Administration (articles 24 and 25 of Legislative Decree No. 231 of 2001), introduced by the Decree and subsequently amended by Law No. 190 dated 6 November 2012, by Law No. 161 dated 17 October 2017, by Law No. 3 dated 9 January 2019, by Legislative Decree No. 75 dated 14 July 2020, by Law No. 137 dated 9 October 2023 and by Law No. 114 dated 9 August 2024;
- (ii) cybercrimes and illegal data processing introduced by article 7 of Law No. 48 of 18 March 2008, which has added article 24-*bis* to Legislative Decree No. 231 of 2001 and subsequently amended by Legislative Decree No. 7 and 8 dated 15 January 2016, by Law Decree No. 105 dated 21 September 2019 and by Law No. 90 dated 28 June 2024;
- (iii) offences relating to organised crime, introduced by article 2, paragraph 29 of Law No. 94 of 15 July 2009, which has added article 24-*ter* to Legislative Decree No. 231 of 2001 and subsequently amended by Law No. 69 dated 27 May 2015;
- (iv) offences concerning the counterfeiting of coins, credit cards, duty stamps, and identity instruments or marks, introduced by article 6 of Law No. 409 of 23 November 2001, which has added article 25-*bis* to Legislative Decree No. 231 of 2001, subsequently amended by article 15, paragraph 7 letter A) of Law No. 99 of 23 July 2009 and amended by Legislative Decree No. 125 dated 21 June 2016;
- (v) offences against industry and trade, introduced by article 15, paragraph 7, letter B), of Law No. 99 of 23 July 2009, which has added article 25-*bis*-1 to Legislative Decree No. 231 of 2001;
- (vi) corporate offences, introduced by Legislative Decree No. 61 of 11 April 2002, which has added article 25-*ter* to Legislative Decree No. 231 of 2001, subsequently supplemented by Law No. 190 of 6 November 2012, by Law No. 69 of 27 May 2015, from Legislative Decree No. 38 of 15 March 2017, and from Legislative

- Decree No. 19 of 2 March 2023;
- (vii) crimes of terrorism or subversion of the democratic order introduced by Law No. 7 of 14 January 2003, which has added article 25-*quater* to Legislative Decree No. 231 of 2001;
 - (viii) female genital mutilation, an offence introduced by Law No. 7 of 9 January 2006, which has added article 25-*quater*-1 to Legislative Decree No. 231 of 2001;
 - (ix) offences against the individual introduced by Law No. 228 of 11 August 2003, which has added article 25-*quinqies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 199 of 29 October 2016;
 - (x) market abuse set forth in Law no. 62 of 18 April 2005, which has added article 25-*sexies* to Legislative Decree No. 231 of 2001 and article 187-*quinqies* “*Entity’s liability*” to the Italian Consolidate Finance Act (TUF);
 - (xi) offences of manslaughter or serious or very serious personal injury, committed in violation of the regulations on the protection of health and safety on the workplace, introduced by Law no. 123 of August 3, 2007, which added article 25-*septies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 3 of 11 January 2018;
 - (xii) receiving stolen goods, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering, offences, introduced by Legislative Decree No. 231 of 21 November 2007, which has added article 25-*octies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 186 of 15 December 2014 which introduced the offence of self-laundering (article 648-ter.1 of the Italian Criminal Code) and by Legislative Decree No. 195 of 8 November 2021;
 - (xiii) payment instruments other than cash and fraudulent transfer of values crimes, introduced by Legislative Decree No. 184 of 8 November 2021, which added article 25-*octies*.1 to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 137 of 9 October 2023;
 - (xiv) copyright infringement offences, introduced by article 15, paragraph 7, letter c) of Law No. 99 of 23 July 2009, which has added article 25-*novies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 93 of 14 July 2023;
 - (xv) inducing a person not to make statements or to make false statements to a judicial authority, introduced by article 4 of Law No. 116 of 3 August 2009, which has added article 25-*decies* to Legislative Decree No. 231 of 2001;
 - (xvi) environmental offences, introduced by Legislative Decree No. 121 of 7 July 2011, which added article 25-*undecies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 68 of 22 May 2015, by Legislative Decree No. 21 of 1 March 2018 and by Law No. 137 of 9 October 2023;
 - (xvii) transnational offences, introduced by Law No. 146 of 16 March 2006 “*Law for the ratification and implementation of the United Nation Convention and Protocols against transnational organised crime*”;
 - (xviii) offence of use of foreign citizens residing unlawfully, introduced by Legislative Decree No. 109 of 16 July 2012 on “*Implementation of Directive 2009/52/EC providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals*”, which has added article 25-*duodecies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 161 of 17 October 2017 and by Decree-Law No. 20 of 10 March 2023;
 - (xix) offence of racism and xenophobia, introduced by article 5 of the European Law, in

Legislative Decree No. 231 of 2001 at article 25-*terdecies*, subsequently amended by Legislative Decree No. 21 of 1 March 2018;

- (xx) fraud in sport competitions, abusive gaming or betting and gambling exercised through prohibited equipment introduced by Law No. 39 of 16 May 2019, which added article 25-*quaterdecies* to Legislative Decree No. 231 of 2001;
- (xxi) tax crimes, introduced by article 39 of Legislative Decree No. 124/157 of 26 October 2019 which has added article 25-*quinguesdecies* to Legislative Decree No. 231 of 2001, subsequently amended by Legislative Decree No. 75 of 14 July 2020);
- (xxii) contraband crimes introduced by article 5 of Law No. 75 of 14 July 2020 which has added article 25-*sexdecies* to Legislative Decree No. 231 of 2001, subsequently amended by Legislative Decree No. 141 of 3 October 2024;
- (xxiii) cultural heritage crimes, introduced by Law No. 22 of 9 March 2022, which added article 25-*septiesdecies* to Legislative Decree No. 231 of 2001, subsequently amended by Law No. 6 of 22 January 2024;
- (xxiv) trafficking of cultural property, destruction and looting of cultural and landscape heritage, introduced by Law No. 22 of 9 March 2022, which added article 25-*duodevicies* to Legislative Decree No. 231 of 2001.

1.4. Penalties provided for by the Decree

Legislative Decree No. 231 of 2001 provides for the following types of penalties which can be applied to the entities to whom the Decree applies:

- (a) monetary administrative penalties;
- (b) debarment sanctions;
- (c) confiscation of the offence's price or profit;
- (d) publication of the verdict.

(a) **The monetary administrative penalty**, regulated by articles 10 and following of the Decree, constitutes the “base” penalty that must be applied, the payment of which must be made by of the Entity with its assets or with the common fund.

The Legislator has adopted an innovative criterion for the calculation of the penalty, assigning the Judge the obligation to carry out two different and subsequent assessment operations. This implies an increased level of adaptation of the penalty to the seriousness of the fact and to the Entity's financial conditions.

The first evaluation requires the Judge to determine the number of units (in any event no less than one hundred, nor more than one thousand)² taking into account:

- the seriousness of the fact;
- the Entity's degree of responsibility;
- the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences.

² With reference to the offences of market abuse, the second paragraph of article 25-*sexies* of Legislative Decree No. 231 of 2001 provides that: “If, following the offences referred to in paragraph 1, the product or profit obtained by the entity is significant, the penalty is increased up to ten times such product or profit”.

During the course of the second assessment, the Judge determines, within the minimum and maximum values predetermined in relation to the offences punished, the value of each units, from a minimum of EUR 258,23 to a maximum of EUR 1.549,37. Such amount is set “*on the basis of the company’s economic and financial conditions in order to ensure the effectiveness of the penalty*” (articles 10 and 11, paragraph 2, of Legislative Decree No. 231 of 2001).

As stated in point 5.1. of the Decree, “*As for the methods of ascertaining the economic and financial conditions of the entity, the judge may make use of the financial statements or other records which are in any case suitable to reflect such conditions. In certain cases, the evidence may also be obtained taking into account the size of the entity and its position on the market. (...) The judge will not be able to avoid making himself, with the aid of consultants, a part to the entity’s reality, where he will also be able to obtain information on the state of the solidity of the entity’s economic, financial and assets’ position*”.

Article 12, of Legislative Decree No. 231 of 2001 provides for several cases in which the monetary penalty is reduced. They are summarised in the following table, specifying the reduction made and the conditions for the application of the reduction.

Reduction	Preconditions
Reduction	Preconditions
1/2 (and cannot in any event be more than EUR 103.291,00)	<ul style="list-style-type: none"> • The offender has committed the action in his own or a third party’s prevailing interest <u>and</u> the Entity has not derived an advantage or has derived a minimal advantage; <u>or</u> • the monetary damage caused is particularly mild.
Between 1/3 and 1/2	<p>[<u>Before</u> the opening declaration of the first instance proceeding]</p> <ul style="list-style-type: none"> • The Entity has fully compensated the damage and has eliminated its harmful or dangerous consequences or has taken effective action in such direction; <u>or</u> • an organisational model suitable for preventing offences of the type committed was implemented and made operational.
Between 1/2 and 2/3	<p>[<u>Before</u> the opening declaration of the first instance proceeding]</p> <ul style="list-style-type: none"> • The Entity has fully compensated the damage and has eliminated its harmful or dangerous consequences or has taken effective action in such direction; <u>and</u> • an organisational model suitable for preventing offences of the type committed was implemented and made operational.

(b) the following **debarment sanctions** are provided for by the Decree and apply solely with reference to the offences for which they are expressly provided:

- interdiction of the company's business;
- suspension or revocation of authorisations, licences or concessions instrumental to the offence;
- ban from contracting with the Public Administration, except for the supply of a Public Administration service;
- exclusion from any benefits, funds, grants and subsidies and/or the revocation of those already granted;
- ban from advertising goods or services.

In order for debarment sanctions to be imposed, at least one of the conditions set out in article 13 of Legislative Decree No. 231 of 2001 must be met, and namely:

- *“the entity has made a significant profit from the offence and the offence has been committed by persons in a top management position or by persons subject to the management of others, in this case, where the commission of the offence has been determined or facilitated by serious organisational deficiencies”*; or
- *“in the event of repeated offences”*³.

Furthermore, debarment sanctions may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure, when:

- there are serious indications that the Entity is liable for an administrative wrongdoing resulting from an offence;
- well-founded and specific elements emerge which suggest the existence of the concrete danger that offences of the same nature as the one being prosecuted may be committed;
- the Entity has made a considerable profit.

In any case, debarment sanctions are not applied when the offence has been committed in the prevailing interest of the perpetrator or third parties and the Entity has obtained a minimum or no advantage from it, or the financial damage caused is particularly immaterial.

The application of debarment sanctions is also excluded by the fact that the Entity has carried out the remedial actions provided for in article 17 of Legislative Decree No. 231 of 2001 and, more specifically, where the following conditions apply:

- *“the entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence or has taken effective action in such direction”*;
- *“the entity has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of organisational models suitable for preventing crimes of the type that have occurred”*;
- *“the entity has made available the profit obtained for the purposes of confiscation”*.

The debarment sanctions have a duration of not less than three months and not more than two years, and the choice of the measure to be applied and its duration is made by the Judge on the basis of the criteria previously indicated for the calculation of the monetary penalty, *“taking into account the suitability of the individual penalties to prevent offences of the type committed”* (art. 14, Legislative Decree No. 231 of 2001).

³ Pursuant to article 20 of Legislative Decree No. 231 of 2001, *“offences are repeated when the entity, already sentenced, without the possibility of appeal, at least once for a misdemeanour deriving from an offence, commits another in the five years following the final sentencing”*.

Then the Legislator took care to specify that the prohibition of the activity has a residual nature compared to other debarment sanctions.

(c) Pursuant to article 19, Legislative Decree No. 231 of 2001, the **confiscation** - also as equivalent - of the price (money or other economic utility given or promised to induce or determine another person to commit the offence) or of the profit (immediate economic utility obtained) of the offence is always ordered, along with the sentencing, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

(d) Pursuant to article 18, Legislative Decree No. 231 of 2001, the **publication of the sentence** of conviction in one or more newspapers, either excerpts or in its entirety, together with posting of the sentence in the municipality where the entity's main premise is located, may be ordered by the Judge when a disqualifying sanction is imposed. Publication is implemented by the administrative office of the competent Judge and is at the expense of the entity.

1.5. Attempted Offences

In the event of attempt of the predicate offences under the Decree, the monetary penalties (in terms of amount) and the debarment sanctions (in terms of time) are reduced by one third to up to one half, while penalties are excluded in cases where the Entity voluntarily prevents the action from being carried out or the event from taking place (article 26 of the Decree).

The principles set forth in this Model adopted by Valentino S.p.A. are guidelines for the conduct of the business by all the companies within the Group, in Italy and abroad. All Recipients are required to acknowledge the content of the Model and to comply with its provisions within the organization and in the relationships with any third party.

Each company within the Group receives the Model and adopts the same, by ensuring that the Model is coherent with the specific business and the activities carried out by the relevant company and complies with any applicable law in the respective jurisdiction.

1.6. Exempting Conducts

Articles 6 and 7 of Legislative Decree No. 231 of 2001 provide for specific forms of exemption from Entities' administrative liability for offences committed in the interest or to the benefit of the same either by the Top Management or by the Subordinate Staff (as defined in paragraph 1.2 above).

Namely, in the event of offences committed by the Top Management, article 6 of the Decree provides for the exemption of the Entity in the event the Entity itself demonstrates that:

- a) before the offence was committed, the management has adopted and effectively implemented an organisation and management model suitable to prevent the

occurrence of criminal offences of the type committed (hereinafter, for brevity, the “**Model**”);

- b) the task of monitoring the functioning and the compliance with the Model and ensure its updating has been entrusted to a body of the Entity having independent powers of initiative and control (hereinafter, for brevity, the “**Supervisory Body**” or “**SB**”);
- c) the persons who committed the offence have acted fraudulently circumventing the Model;
- d) the Supervisory Body is not found to have omitted to carry out its supervisory duties, or to have carried them out insufficiently.

As for the Subordinate Staff, article 7 of the Decree provides for the exemption of liability in the event the Entity has adopted and effectively implemented a Model suitable to avoid the offences of the same kind as those occurred prior to their occurrence.

However, the exemption of the Entity’s liability is not determined by the mere adoption of the Model, but by its effective implementation to be achieved through the implementation of all protocols and controls necessary to limit the risk of commission of the offences that the Company intends to prevent. More specifically, with reference to the features of the Model, article 6, paragraph 2 of the Decree, expressly provides for the following propaedeutic phases for the correct implementation of the Model:

- a) identification of the activities where there is a possibility for the offences to be committed;
- b) inclusion of specific procedures to plan training and implement the legal entity’s resolutions concerning the offences to prevent;
- c) identification of methods for managing financial resources that are suitable for preventing offences from being committed;
- d) inclusion of information obligations towards the Supervisory Body;
- e) introduction of a disciplinary system that sanctions non-compliance with the measures laid down in the Model.

1.7. Guidelines

The drafting of this Model is inspired by the Confindustria’ Guidelines (hereinafter, for brevity, together referred to as the “**Guidelines**”) for the construction of organisation, management and control models pursuant to Legislative Decree No. 231 of 2001. For the purposes of this document, the Confindustria Guidelines updated in June 2021 have been taken into particular account.

The path indicated by the Guidelines for the development of the Model can be broken down according to the following essential points:

- identification of areas at risk, aimed at verifying in which company areas/sectors the commission of offences is possible;
- development of a control system capable of reducing risks through the adoption of specific protocols. This is supported by a coordinated set of organisational structures, activities and operating rules applied by management - at the request of the top

management - to provide reasonable certainty as to the achievement of the objectives covered by a good internal control system.

The most important components of the preventive control system proposed by the Confindustria Guidelines are, as regards the prevention of intentional offences:

- the Code of Ethics;
- the organisational system;
- manual and computerised procedures;
- owners of authorization and signatures powers;
- control systems and management;
- communication with and training of staff.

With reference to offences committed without criminal intention (offences relating to health and safety at work and most environmental offences), the most relevant components identified by Confindustria are:

- the Code of Ethics, with reference to the offences considered;
- the organisational structure;
- education and training;
- communication and involvement;
- operational management;
- the safety monitoring system.

The control system must be based on the following principles:

- verifiability, documentability, consistency and congruence of each transaction;
 - separation of functions (nobody can manage all the phases of a process alone);
 - documentation of controls;
 - introduction of an adequate penalty system for violations of the rules and protocols provided for by the Model;
 - identification of a Supervisory Body the main requirements of which are:
 - autonomy and independence,
 - professionalism,
 - continuity of action;
- obligation, on the part of the company functions, more specifically those identified as being most “at risk of offence”, to provide information to the Supervisory Body, both on a structured basis (periodic information as indicated in the implementation strategy of the Model), and to report anomalies or inconsistencies found within the scope of the information available.

2. THIS MODEL

2.1. Valentino S.p.A.

Valentino S.p.A. (hereinafter “Valentino” or the “Company”), a sole proprietorship under the management and coordination of Mayhoola For Investments S.P.C., parent company of the Valentino Group (hereinafter the “Group”), operates in the fashion and luxury industry by designing, manufacturing, processing, and marketing men’s and women’s clothing and accessories.

Valentino S.p.A. also provides legal and corporate assistance, administrative/accounting, personnel administrative and accounting management, treasury, tax assistance and IT services to Group companies.

2.2. Adoption of the Model

Valentino has adopted its own Model which, as provided for by the Decree, was approved by the Board of Directors of the Company on 28 May 2018.

Valentino, also as a result of the introduction of other types of offences within the scope of Legislative Decree No. 231 of 2001, updates and integrates its Model, taking it into account:

- changes in the Company’s organisation;
- the evolution of case-law and scholars’ interpretation;
- considerations deriving from the application of the Model (including experiences deriving from the criminal context);
- the practice of Italian companies in relation to models;
- the results of supervisory activities;
- the development of the regulatory framework;

up to this version dated May 2025.

2.3. This Model

2.3.1. Purposes of the Model

The Model, prepared by the Company on the basis of the identification of the areas of theoretical offence risk in its activity, has the following purposes:

- set up a prevention and control system aimed at reducing the risk of commission of offences connected with company activity;
- make all those who work in the name and on behalf of Valentino, and in particular those engaged in “areas of activity at risk”, aware that in the event of violation of the provisions contained therein, they may incur an offence punishable by means of criminal and administrative penalties, not only against themselves but also against the company;

- inform all those who work with the Company that the violation of the prescriptions contained in the Model will lead to the application of specific penalties or the termination of the contractual relationship;
- confirm that Valentino does not tolerate unlawful conducts of any kind and independently of any purpose and that, in any case, such conducts are (even if the Company is apparently in a position to take advantage of it) contrary to the principles which inspire the Company's business activity.

2.3.2. Creation of the Model

Also, on the basis of the indications included in the in the reference Guidelines, the creation of the Model (and the subsequent drafting of this document) has been divided into the phases described below:

- (i) preliminary examination of the corporate context through the analysis of the relevant corporate documentation and interviews with Valentino's managers knowledgeable of its structure and activities, in order to define the organisation and the activities carried out by the various organisational units / corporate functions as well as the corporate processes into which the activities are structured and their concrete and effective implementation;
- (ii) identification of the areas of company activity and processes "at risk" or – with reference solely to offences against the Public Administration – "instrumental" to the commission of offences, carried out on the basis of the aforementioned preliminary examination of the company context (hereinafter, for brevity, together indicated as the "**Offence Risk Areas**");
- (iii) definition, as hypotheses, of the main possible ways of committing the Predicate Offences within the individual Offence Risk Areas;
- (iv) detection and identification of the control system of the entity aimed at preventing the commission of the Predicate Offences.

2.3.3. The acceptable risk concept

In the preparation of an organisation and management Model as this one, the concept of acceptable risk cannot be overlooked. In order to comply with the provisions introduced by Legislative Decree No. 231 of 2001, it is, in fact, essential to establish a threshold which makes it possible to limit the quantity and quality of prevention instruments which must be adopted in order to prevent the offence from being committed. With specific reference to the sanctioning mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented except intentionally, or, for the purposes of excluding the entity's administrative liability, the persons who have committed the offence have acted fraudulently circumventing the Model and the controls adopted by the Company.

2.3.4. Structure of the Model and the Predicate Offences relevant for its creation

The Company intended to prepare a Model that took into account its own peculiar business reality in line with its system of governance and capable of enhancing the existing controls and bodies.

The Model, therefore, represents a coherent set of principles, rules and provisions that:

- affect the internal functioning of the Company and the ways in which it deals with the outside world;
- govern the diligent management of a control system for Offence Risk Areas, aimed at preventing the commission, or attempted commission, of the offences referred to in the Decree.

More specifically, Valentino's Model consists of a **“General Part”**, which contains the key principles of the Model, and of:

- a **“Special Part 1”**: which, with reference to each category of predicate offences, contains a brief description of the relevant cases that may give rise to the Company's administrative liability, the penalties envisaged and the General Rules of Conduct;
- a **“Special Part 2”**: containing the identified Offence Risk Areas, the Sensitive Activities, the Corporate Functions involved, the types of offences and the Preventive Controls implemented by the Company, which the Recipients of the Model (as defined below) must comply with in order to prevent the commission of such offences.

Also in consideration of the number of offences that currently represent a prerequisite for the administrative liability of Entities pursuant to the Decree, some of them have not been considered relevant for the purposes of the creation of this Model, as it was considered that the risk relating to the commission of such offences was only abstractly and not concretely conceivable. Specifically, following a careful evaluation of Valentino's factual activity and history, the following cases were not considered relevant:

- **“Practices of mutilation of the female genitals”** (article 25-*quater*.1 of the Decree);
- **“Market abuse offences”** (article 25-*sexies* of the Decree);
- **“Fraud in sport competitions, abusive gaming or betting and gambling exercised through prohibited equipment”** (article 25-*quaterdecies* of the Decree);
- **“Trafficking of cultural property and the destruction and looting of cultural and landscape assets”** (art. 25-*duodevicies* of the Decree); -
- **“Liability of entities for administrative offenses arising from crimes”** (constitute prerequisites for entities operating within the supply chain of virgin olive oils) (art. 12 of Law. No. 9 of 2013).

In any event, the ethical principles, on which the Company's Model and its governance structure are based, are aimed at generally preventing even those types of crimes that, due to their irrelevance, are not specifically regulated in the Special Part of this Model.

2.4. The documents related to the Model

The following documents form an integral and substantive part of the Model:

- Code of Ethics containing all of Valentino's rights, duties and responsibilities towards the recipients of the Model itself (hereinafter, for brevity, also the "**Code of Ethics**"), as well as the sanctioning system and relevant sanctioning mechanism to be applied in the event of violation of the Model (hereinafter, for brevity, the "**Sanctions System**");
- system of delegation and proxies, as well as all the documents having the objective of describing and assigning responsibilities and/or tasks to those who work within the Entity in the Offence Risk Areas (i.e. organisational charts, function charts, etc...);
- system of procedures, protocols and internal controls aimed at guaranteeing adequate transparency and knowledge of the decision-making and financial processes, as well as the conducts to be adopted by the recipients of this Model operating in the Offence Risk Areas.

For brevity, the system of delegation and proxies, the procedures, protocols and internal controls referred to above are hereinafter referred to as the "**Procedures**".

It follows that the term Model is to be understood not only as this document but also as all the other documents and Procedures adopted in accordance with its provisions and which pursue the purposes indicated herein.

2.5. Management of the financial resources

Without prejudice to the previous paragraph, taking into account that pursuant to article 6, paragraph 2, letter c) of Legislative Decree No. 231 of 2001, also the identification of the methods for managing financial resources suitable for preventing the commission of offences is among the requirements to which the Model must respond, the Company adopted specific protocols containing the principles and conduct to be followed in the management of such resources.

2.6. Circulation of the Model

2.6.1. Recipients

This Model takes into account Valentino's corporate situation and represents a valid tool for raising awareness and information for Top Management and Subordinate Staff (hereinafter, for brevity, the "**Recipients**").

They are also required to comply with the Model:

- the external members of the Board of Directors and the Board of Statutory Auditors;
- all those who collaborate with Valentino under a para-subordinate employment relationship, such as project collaborators, temporary workers, and agency workers;
- those who have powers of representation of the company or who operate on its specific mandate, such as agents and business finders;
- all those who operate within an outsourced business function, in relation to the risk areas in which they may be involved in carrying out business activities.

All this to have the Recipients follow, in the performance of their activities, correct and transparent conducts in line with the ethical and social values which inspire the Company in

the pursuit of its corporate purpose and such as to prevent the risk of committing the offences provided for by the Decree.

In any event, the competent company departments ensure that the principles and rules of conduct included in Valentino's Model and Code of Ethics are incorporated into the Company's Procedures.

2.6.2. Formation of and Information to Personnel

Valentino's objective is to ensure that the Recipients are fully aware of the contents of the Decree and the obligations deriving from it.

For the purposes of the effective implementation of this Model, training and information to the Recipients, is managed by the Chief Executive Officer in close coordination with the heads of the other company departments involved in the application of the Model and under the supervision of the Supervisory Body.

The main procedures of carrying out training/information activities, which are also necessary to comply with the provisions of the Decree, concern the specific information provided at the time of recruitment and further activities considered necessary in order to ensure the correct application of the Decree's provisions. More specifically, the following is envisaged:

- an initial communication. In this regard, the adoption of this Model is communicated to all the Company's resources. Valentino's Code of Ethics and Model are handed over to new employees. They are also asked to sign a form in which they acknowledge that the Model is available on the company intranet and undertake to comply with the contents of the aforementioned regulations;
- a specific training activity. This "continuous" training activity is compulsory and developed through IT tools and/or procedures, as well as periodic meetings and training and update seminars. This activity is differentiated in terms of content and delivery methods, depending on the qualification of the Recipients, the level of risk in the area in which they operate, and whether or not they have representative functions for the Company.

2.6.3. Information to Third Parties and circulation of the Model

Valentino also provides for the dissemination of the Model to persons who have any onerous or even gratuitous relationships of any nature with the Company. These include suppliers of workmanship, goods and services, collaboration relationships without subordination, consultancy relationships, commercial representation relationships and other relationships that materialize in a professional service, not of a subordinate nature, both continuous and occasional, with the Company (hereinafter, for brevity, the "**Third Parties**").

In contractual documents with Third Parties, specific clauses designed to inform them of Valentino's adoption of the Model are included, which they declare to have read and to have understood the consequences of not complying with the rules contained in the Model and the Code of Ethics, and they also undertake not to commit and to ensure that their top managers or subordinates refrain from committing any of the Predicate Offences.

2.6.4. The Model and the provisions towards the subjects involved in the supply chain of Valentino S.p.A.

Considering that Valentino S.p.A. and the Group Companies may avail themselves of the collaboration of external parties during the production process or in other phases of the value chain (such as suppliers of transport or raw materials), it is considered appropriate to regulate such relationships in order to guarantee control, within the limits of what is feasible by Valentino, on the risks possibly connected to the performance of the related activities in which the external parties are involved. To this end, Valentino promotes an approach oriented towards ethics and transparency and carries out targeted controls on the parties involved in its supply chain, to mitigate the risks connected to the performance of the activities carried out by the suppliers. Failure to comply with contractual provisions by the parties is sanctioned in accordance with the provisions of specific clauses and as reported in the disciplinary system (par. 5.6). In particular, the management of the risk – crime is entrusted to the following essential moments of control and organizational controls: (i) preventive **qualification** of the supplier according to predefined quality standards and through the performance of specific **audits** as conditions for its inclusion and/or maintenance in the supplier register, (ii) **formalization** and **traceability** of the contractual relationship with the supplier (iii) **constant monitoring**, during the **contractual relationship**, of compliance with quality and compliance standards by suppliers throughout the duration of the relationship, as well as through the provision of specific **“sanctioning” consequences** deriving from **failure to comply with contractual clauses**; (iv) supervisory activity by the Supervisory Body in reference to sensitive activities that involve external parties.

3. ELEMENTS OF THE GOVERNANCE MODEL AND OF THE GENERAL ORGANIZATIONAL STRUCTURE OF VALENTINO

3.1. The Company's governance Model

Valentino's governance structure is based on the "traditional" organisational model and is comprised of the following bodies: the Shareholders Meeting, the Board of Directors (which operates through the Managing Director), the Board of Statutory Auditors, the Independent Auditors and the Supervisory Body pursuant to Legislative Decree No. 231 of 2001.

The delegated bodies report every six months to both the Board of Directors and the Board of Statutory Auditors. The Board of Directors holds all powers of ordinary and extraordinary administration and has the task of appointing its own Secretary.

3.2. Valentino's internal supervisory system

Valentino has adopted the following general instruments, aimed at planning the formation and implementation of the Company's decisions (also in relation to the offences to be prevented):

- the ethical principles which lead the Company, also on the basis of what is forth in the Code of Ethics;
- the system of proxies and powers of attorney;
- the documentation and provisions relating to the corporate hierarchical-functional structure and its organisation;
- the internal control system and therefore the structure of company procedures;
- the procedures relating to the administrative, accounting and reporting system;
- corporate communications and circulars addressed to personnel;
- compulsory, appropriate and different training for all staff;
- the system of penalties referred to in the national collective labour agreements;
- the system of laws and regulations.

The competent functions report to the Board of Directors on the status of the corporate governance system and guidelines. In particular, on annual basis, the Board of Director receive a report detailing the amendments or addition to the corporate governance system and the power of attorneys granted to the various Company's representatives.

In accordance with the provisions of paragraph 4.7.1 "Information obligations towards the Supervisory Body" below, the competent functions also refer on a timely basis and at least every six months to the Supervisory Board about any change to the corporate governance system and the power of attorneys granted to the various Company's representatives.

3.3. General supervisory principles in all Offence Risk Areas

In addition to the specific controls relating to the individual theoretical risk area, the Company has implemented specific general controls applicable to all Areas at Risk of Offence.

These are, in particular, the following:

- **Transparency:** every operation/transaction/action must be justifiable, verifiable, coherent and congruent;
- **Separation of functions/Powers:** no one can autonomously manage an entire process and can be granted with unlimited powers; authorisation and signature powers must be defined in a manner consistent with the organisational responsibilities assigned;
- **Adequacy of internal regulations:** the set of company regulations must be consistent with the operations carried out and the level of organisational complexity and must guarantee the controls necessary to prevent the commission of the offences envisaged by the Decree;
- **Traceability/Documentability:** every operation/transaction/action, as well as the verification and control activities relating thereto, must be documented and the documentation must be properly filed.

4. THE SUPERVISORY BODY

4.1. Features of the Supervisory Body

According to the provisions of Legislative Decree No. 231 of 2001 (articles 6 and 7) as well as the indications contained in the Confindustria Guidelines, the features of the Supervisory Body (hereinafter, the “**SB**”) necessary to ensure effective and efficient implementation of the Model are:

- (a) autonomy and independence;
- (b) professionalism;
- (c) continuity of action.

Autonomy and independence

The requirements of autonomy and independence are essential in order for the SB not to be directly involved in the management activities that are the subject matter of its control activity and, therefore, not be subject to conditioning or interference by the management body.

These requirements can be achieved by guaranteeing the SB the highest possible hierarchical position, and by providing for reporting to the company’s top operating level, or to the Board of Directors as a whole. In order to ensure independence, it is also essential that no operational tasks, which would compromise its objectivity of judgement with reference to checks on the conduct and effectiveness of the Model, be assigned to the SB.

Professionalism

The SB must possess technical-professional skills appropriate for the functions it is requested to perform. These features, together with independence, guarantee objectivity of judgement.

Continuity of action

The Supervisory Body must:

- continuously carry out the activities necessary for the supervision of the Model with adequate commitment and with the necessary powers to investigate;
- be a structure relating to the Company, so as to guarantee due continuity in the supervisory activities.

In order to ensure that the above requirements and professional skills are factually met, it is appropriate for these persons to also possess the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g. honourableness, absence of conflicts of interest and family relations with the corporate bodies and top management, etc.).

4.2. Selection of the Supervisory Body

Valentino’s Board of Directors has identified its Supervisory Body as a multi-member body whose members meet both the requirements of professionalism and competence for the performance of its functions and personal requirements of honourableness and independence which are essential to the autonomy of action needed.

Valentino's Supervisory Body is currently composed of two external members, one of whom has the role of President, and one internal member, in the person of the Chief Audit Officer.

This structure guarantees the autonomy of the control initiative from any form of interference and/or conditioning on the part of any member of the organisation, ensuring at the same time sufficient continuity of action and, overall, makes it possible to satisfy the requirement of professionalism with reference to the various categories of Predicate Offences.

Once it has been established, the Supervisory Body has its own internal rules and regulations, as well as establishes and updates the plan of the activities to be carried out.

4.3. Term of office and reasons for termination

The Supervisory Body remains in office for the term indicated in the deed of appointment and may be renewed.

The members of this Board, in addition to possessing all the standards and requirements of honourability, professionalism and ethics, cannot have any type of relationship with the company that could generate potential conflicts of interest.

The termination of the SB's office may occur for one of the following reasons:

- expiry of the term of office;
- revocation of the Body by the Board of Directors;
- forfeiture of office by a member, formalised by written notice sent to the Board of Directors;
- occurrence of one of the grounds for lapse referred to in paragraph 4.4 "Cases of ineligibility and lapse of office" below.

The revocation of the SB can only be ordered for just cause, such as for example:

- the case in which the member is sent for trial in a criminal proceeding concerning the commission of an offence;
- the case in which a breach of the confidentiality obligations set forth for the SB has been found;
- the ascertainment of the occurrence of a serious breach by the Supervisory Body in the performance of its duties;
- failure to inform the Board of Directors of a conflict of interest that would prevent the keeping of the role of member of the Body itself.

Revocation is decided upon by a resolution of the Board of Directors.

In the event of expiry, revocation or resignation, the Board of Directors shall immediately appoint the new member of the SB, while the outgoing member shall remain in office until he is replaced.

4.4. Cases of ineligibility and lapse of office

Reasons for ineligibility and/or lapse of office of the member of the SB are:

- a) disqualification, incapacitation, bankruptcy or, in any case, criminal conviction, even if not final, for one of the crimes provided for by the Decree or, in any case, a penalty involving disqualification, even temporary, from carrying out public offices or the inability to exercise management functions;
- b) the existence of relationships of kinship, marriage or affinity up to the fourth degree with the members of the Board of Directors or with external parties appointed to perform audits;
- c) the existence of such financial relationships between the member and the Company as to compromise the member's independence.

If, during the term of office, a cause for lapse should arise, the member of the Supervisory Body is mandated to immediately inform the Board of Directors.

4.5. Office, duties and powers of the Supervisory Body

In compliance with the indications provided by the Decree and the Guidelines, the Supervisory Body's functions consist, in general, in:

- 1. monitoring the diffusion, knowledge, understanding of and compliance with the Model within the Company;
- 2. monitoring the actual application of the Model with reference to the different types of offences taken into consideration by it;
- 3. verifying the effectiveness of the Model and its actual capability to prevent the commission of the offences at hand;
- 4. identifying and suggesting updates and amendments to the Model with reference to changes in legislation or in company needs or conditions to the Board of Directors;
- 5. verifying that the proposals for updates and amendments formulated by the Board of Directors have actually been incorporated into the Model.

Within the scope of the function described above, the SB is entrusted with the following duties:

- a) periodically checking the map of the Offence Risk Areas and the adequacy of the control points in order to allow their adaptation to change in the activity and/or the company structure. For this purpose, the recipients of the Model, as better described in the special sections, must report to the SB any situations that may expose Valentino to the risk of offences. All communications must be in writing and sent to the appropriate e-mail address activated by the SB;
- b) periodically carrying out, on the basis of the activity plan previously established for the SB, checks and inspections on specific operations or specific acts carried out in the context of the Offence Risk Areas;
- c) collecting, processing and storing the information (including the warnings referred to in the following paragraph) which is relevant to compliance with the Model, as well as updating the list of information that must obligatorily be transmitted to the SB itself;

- d) ask the Ethics Committee for further information and/or specific checks to ascertain alleged violations of the provisions of the Model brought to the SB's attention through specific reports or emerged during its supervisory activity;
- e) verifying that the elements provided for in the Model for the different types of offences (standard clauses, procedures and relevant controls, system of proxies, etc.) are actually adopted and implemented and meet the requirements for compliance with Legislative Decree No. 231 of 2001, if not the case, propose corrective actions and update;
- f) monitoring the adoption and effective implementation of the corrective actions that the Company has planned to implement in order to prevent the risk of commission of the offences envisaged by Legislative Decree no. 231/01.

In order to carry out the functions and duties indicated above, the SB is granted with the following powers:

- to have ample and widespread access to the various company documents and, in particular, to those concerning contractual and non-contractual relations established by the Company with third parties;
- to avail itself of the support and cooperation of the various company structures and corporate bodies that may be interested in or be involved in control activities in any way, first and foremost the Internal Audit function;
- to confer specific consultancy and assistance assignments to professionals, including those external to the Company;
- to investigate warnings received in order to verify the actual violation of the Code of Ethics or the Model.

4.6. The Supervisory Body's resources

The Board of Directors assigns to the SB the human and financial resources deemed appropriate for the purposes of carrying out the assigned task. More specifically, the Supervisory Board is granted autonomous spending powers, as well as the power to stipulate, modify and/or terminate professional assignments to third parties in possession of the specific skills necessary for the best execution of the assignment.

4.7. Information flows relating to the Supervisory Body

4.7.1. Information obligations towards the Supervisory Body

In order to facilitate the supervisory activity as to the effectiveness of the Model, the SB must be informed through information flows by the Recipients (and, where appropriate, by Third Parties) regarding events that could involve Valentino's liability pursuant to Legislative Decree No. 231 of 2001 and, in general, of the news that may be relevant for the purposes of monitoring the effectiveness, efficiency and updating of the Model, including any news relating to the existence of possible violations of the same.

In particular, the following **must compulsorily and promptly be transmitted to the SB**:

- **periodic information flows** from the persons in charge of the areas where there is a risk of commit the offences provided for by Legislative Decree no. 231/2001. Reference is made to the Procedure “*Information flows for the Supervisory Body*” for further details as to the contents and frequency of such flows to the SB;
- **and the following specific information** relating to:
 - measures and/or news from the judicial police or any other authority regarding the fact that investigations involving Valentino or the members of the corporate bodies are being carried out;
 - any reports contingently prepared by the representatives of other bodies as part of their control activities and from which facts, acts, events or omissions showing profiles of criticality with respect to compliance with Legislative Decree No. 231 of 2001 may emerge;
 - information relating to disciplinary proceedings as well as any penalties imposed, or to decisions on the dismissal of such proceedings along with their respective grounds, if linked to the commission of offences or violation of the Model’s rules of conduct or procedures;
 - investigation commissions or internal reports/communications that reveal the responsibility for the alleged offences referred to in Legislative Decree no. 231 of 2001;
 - organisational changes;
 - updates to the system of delegations and powers;
 - the particularly significant operations carried out in the Offence Risk Areas;
 - the changes in the areas at Offence Risk Areas or which are potentially at risk;
 - aspects that may indicate deficiencies in the internal control system, censurable facts, and observations on the Company's financial statements;
 - the statement of truthfulness and completeness of the information contained in corporate communications;
 - a copy of the minutes of the meetings of the Board of Directors which may be relevant to the Model.

Information flows can be trasmetted via dedicated information channels:

- (i) e-mail: organismodivigilanza@valentino.com; and
- (ii) paper/postal with the Chairman of the Supervisory Board, Professor Silvano Corbella, as the recipient of the report, at the following address:
Studio CVCG, via Cappuccio 14, 20123 Milan.

Without prejudice to the provisions of chapter 4.8 (see below), the Supervisory Body must also be informed by the subjects required to comply with the Model regarding events that could generate liability for Valentino pursuant to Legislative Decree No. 231 of 2001, constitute a possible risk indicator or a possible violation of the Model.

4.7.2. Supervisory Body’s information obligations

Given that the responsibility for adopting and effectively implementing the Model remains with the Company's Board of Directors, the SB reports on the implementation of the Model and on the occurrence of any criticalities.

More specifically, the Supervisory Body has the responsibility towards the Board of Directors of:

- communicating, at the beginning of each financial year, the plan of the activities that it intends to carry out in order to fulfil the assigned tasks;
- promptly communicating any problems relating to the activities, where relevant;
- reporting in writing, on an annual basis, on the implementation of the Model.

The Body may request to be convened by the aforementioned bodies to report on the functioning of the Model or on specific situations. Minutes must be made of the meetings with the corporate bodies to which the SB reports. A copy of these minutes shall be kept by the SB and by the bodies involved from time to time.

Without prejudice to the above, the Supervisory Board, in evaluating the individual circumstances, may also communicate:

- (i) the results of its assessments on the heads of the departments and/or processes, should the activities give rise to aspects that could be improved. In this case, it will be necessary for the SB to obtain from the relevant process managers a plan of actions and related timing for the implementation of the activities that could be improved as well as the result of such implementation;
- (ii) report to the Board of Directors conducts/actions that are not in line with the Model in order to:
 - a) acquire from the Board of Directors all the information needed to provide any communications to the structures responsible for assessing and applying disciplinary sanctions;
 - b) give guidance for the removal of deficiencies in order to prevent recurrence.

4.8 Whistleblowing Reports

In accordance with the provisions of the introduction of Legislative Decree No. 24 of 2023, Valentino has equipped itself with a Whistleblowing System which, in accordance with current legislation, is aimed at strengthening the legal protection of people who report violations of national or European regulatory provisions, which harm the interests and/or integrity of the private entity to which they belong (and also public), and of which they have become aware in the course of their work.

The Whistleblowing System was also adopted for the purpose of identifying and combating possible violations of the Ethics Code, the Model and the Policies and Procedures adopted by Valentino, as well as other illicit or irregular behaviours (as better specified in the specific company procedure "CP 018 Whistleblowing Procedure", available on the Company website and to which reference is made for further details) that may undermine its integrity.

In the event of a report, even potentially relating to significant violations pursuant to Legislative Decree No. 231 of 2001 or violations of the Organization and Management

Model adopted by Valentino S.p.A., the Reporting Channel Manager transmits the report to the Supervisory Body of Valentino S.p.A. and the Ethics Committee ensures timely information at the following stages:

- i. at the conclusion of the preliminary assessment stage;
- ii. at the conclusion of the investigation;
- iii. at the conclusion of the report closure.

In occasion of each information received, the Supervisory Body may ask the Ethics Committee to carry out further investigations and/or specific checks.

Reports may be made:

- i. using the Integrity Helpline platform: accessible from the home page of the website www.valentino.com;
- ii. telephone: an alternative communication channel is to make a telephone call to the number shown on the page dedicated to the Integrity Helpline, as per point (i);
- iii. in person. Employees are also encouraged to report any questionable matter to Human Resources (HR), the Legal Department, the Internal Audit Department and/or their direct manager and/or supervisor. Employees may also request and have a “One to One” meeting with the General Counsel or the Chief Audit Officer of Valentino S.p.A. within a reasonable time.

Reporters are guaranteed against any form, direct or indirect, of retaliation, which causes or may cause, directly or indirectly, unjust damage, without prejudice to legal obligations and when the criminal liability of the reporting party for the crimes of defamation or slander is ascertained and/or, for the same reason, also the civil liability for wilful misconduct or gross negligence, within the terms provided for by the legislation in force. In such circumstances, the Company reserves the right to take action to protect its rights, including disciplinary action.

In any case, the confidentiality of the identity of the reporting party is ensured and sanctions are also provided for against those who violate the measures to protect the reporting party.

5. SANCTIONS SYSTEM FOR LACK OF COMPLIANCE WITH THIS MODEL AND THE PROVISIONS-REGULATIONS QUOTED HEREIN

5.1. General principles

Valentino is fully aware and confirms that the setting forth of an adequate sanctions system, for the violation of the rules contained in the Model, and in the related Procedures is an essential condition to ensure the effectiveness of the Model itself.

To this end, as a matter of fact, article 6, paragraph 2, letter e) of the Decree states that organisational and management models must “*introduce a disciplinary system suitable for punishing failure to comply with the measures set forth in the model*”.

The application of disciplinary sanctions is independent from the outcome of any criminal proceedings, as the rules of conduct imposed by the Model and Procedures are adopted by the Company in complete autonomy and independently of the type of offences referred to in Legislative Decree No. 231 of 2001 which the violations may determine.

More specifically, failure to comply with the rules contained in the Model and the Procedures, in fact, in itself alone, compromises the relationship of trust existing with the Company and involves disciplinary action regardless of whether criminal proceedings are instituted in cases where the violation constitutes an offence. This also in compliance with the principles of timeliness and immediacy of the disciplinary charge and of the imposition of sanctions, in compliance with the laws in force.

Valentino also provides sanctions against those who violate the measures to protect the whistle-blower (as described in paragraph 4.7 “Information flows relating to the Supervisory Body” of this document), as well as those who make intentional or seriously negligent reports that prove to be ungrounded.

The sanctions must range from conservative measures, for the less serious violations, to measures suitable to sever the relationship between the person keeping the conduct and the entity, in the event of more serious violations. Disciplinary power must always comply with the principles of proportion (sanction commensurate with the violation) and debate (involvement of the person concerned).

It is also possible to provide for reward mechanisms reserved for those who cooperate in order to effectively implement the model. Indeed, when promoting compliance, the benefits of compliance can often be more effective than the threat of negative consequences for lack of compliance with the same.

5.2. Definition of “Violation” for the purposes of this Sanctions System performance

By mere way of general example, a “**Violation**” of this Model and the relevant Procedures is constituted by:

- the implementation of actions or conducts that do not comply with the law and with the prescriptions contained in the Model itself and in the relevant Procedures entailing the mere risk of one of the offences envisaged by the Legislative Decree No. 231 of 2001 being committed;
- the omission of actions or conducts prescribed in the Model and in the related Procedures entailing the mere risk of one of the offences envisaged by the Legislative Decree No. 231 of 2001 being committed;
- the implementation of actions or behaviours that do not comply with Legislative Decree No. 24 of 2023 regarding the protection of persons reporting violations of European Union law and containing provisions regarding the protection of persons reporting violations of national regulatory provisions.

5.3. Penalties for the personnel

5.3.1. Personnel employed in non-managerial positions

The employees’ conduct in violation of the rules contained in this Model, in the Corporate Procedures and in the legislation on whistleblowing are defined as *disciplinary offences*.

With reference to the type of sanctions that can be imposed on these employees, they fall within those provided for in the National Collective Bargaining Agreements applicable to Group employees and, in particular, that of the Textile-Clothing Industry (Sistema Moda Italia) and the Tertiary-Distribution and Services Industry (Confcommercio) (hereinafter, for brevity, the “**NCBA**”) and the related Supplementary Agreements, in compliance with the procedures provided for by article 7 of Law no. 300 of 1970 (hereinafter, for brevity, the “**Workers’ Statute**”) and any special applicable regulations.

A Violation by an employee pursuant to paragraph 5.2 “Definition of “Violation” for the purposes of this Sanctions System performance” of this Model, may give rise, depending on the seriousness of the violation, to measures that are set forth in application of the principles of proportionality, as well as the criteria of correlation between violation and sanction and, in any case, in accordance with the form and methods provided for by current legislation.

Without prejudice, in any case, to the provisions of the Disciplinary System in use at Valentino, the sanctions that can be imposed on employees fall within those provided for by the NCBA with reference to personnel with the qualification of “worker”, “employee”, or “middle-ranking manager”.

The Sanctions System is constantly monitored by the Supervisory Body and the Board of Directors.

5.3.2. Managers

In the event of: managers’ (a) Violation pursuant to paragraph 5.2 above “Definition of “Violation” for the purposes of this Sanctions System performance”, or (b) adoption, in the performance of activities in the Offence Risk Areas, of conducts not in compliance with the provisions of the aforementioned documents, the most appropriate disciplinary measures shall be applied to those responsible in accordance with the provisions of the National Collective Bargaining Agreements for Managers of Industrial Companies.

5.4. **Directors**

In the event of a breach of the rules referred to in paragraph 5.2 above “Definition of “Violation” for the purposes of this Sanctions System performance” by one or more of Valentino’s Directors, the Supervisory Body will immediately inform the Board of Directors for the appropriate assessments and measures.

5.5 **Statutory Auditors**

In the event of a Violation of the rules referred to in paragraph 5.2 above “Definition of “Violation” for the purposes of this Sanctions System performance” by one or more members of Valentino’s Board of Statutory Auditors, the Supervisory Body will immediately inform the Board of Directors and, upon request by the Chairman of the Board of Directors, the Shareholders’ Meeting will be called to take the appropriate measures.

5.6 Third Parties: independent contractors and consultants

In the event of Violation of the rules referred to in paragraph 5.2 above “Definition of “Violation” for the purposes of this Sanctions System performance” by external collaborators or consultants, or, more generally, by Third Parties, the Company, depending on the seriousness of the violation: (i) will recall the parties concerned to strictly comply with the provisions therein; or (ii) will have the right, depending on the different types of contracts, to terminate the existing relationship for just cause or to terminate the contract for breach by the aforementioned persons.

To this end, Valentino has provided for the insertion of appropriate clauses providing to: (a) informing Third Parties of Valentino’s adoption of the Model and Code of Ethics, which they declare to have read, undertaking to respect its contents and not to behave in a way that could determine a violation of the law or the commission of any of the Predicate Offences; (b) the right for the Company to withdraw from the relationship or terminate the contract (with or without the application of penalties), in the event of failure to comply with such obligations.

5.7 Register

The Company adopts a register in which it must register all those who have committed a Violation pursuant to paragraph 5.2 above “Definition of “Violation” for the purposes of this Sanctions System performance”. The inclusion in such register prevents the establishment of new contractual relations with the relevant parties.