

YOOX NET-A-PORTER GROUP

*Organisation, Management and Control Model
pursuant to Legislative Decree 231 of June 8, 2001*

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

CONTENTS

DEFINITIONS	4
GENERAL PART	6
INTRODUCTION	6
1. LEGISLATIVE DECREE 231/2001	6
1.1. The law	6
1.1.1. Scope of application.....	6
1.1.2. Nature and characteristics of administrative liability	7
1.1.3. Geographical scope of application of the Decree.....	8
1.1.4. Predicate Crimes	8
1.1.5. Sanctions provided for by the Decree	9
1.1.6. Absolving effect	11
1.1.7. Expected characteristics of Models	11
1.1.8. The Confindustria Guidelines	12
2. ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL AT YOOX NET-A-PORTER GROUP	13
2.1. Adoption of the Model at YOOX NET-A-PORTER GROUP.....	13
2.2. The current Model	13
2.2.1. Aims of the Organisation, Management and Control Model of YNAP	13
2.2.2. The construction of the Model	13
2.2.3. Structure of the Model	14
2.2.4. Amendments and additions to the Model	14
2.3. Documents connected with the Model	14
3. ELEMENTS OF THE GOVERNANCE MODEL AND GENERAL ORGANISATIONAL STRUCTURE OF YOOX NET-A-PORTER GROUP	15
3.1. Company activities	15
3.2. The Company's Governance Model.....	16
3.3. The YOOX NET-A-PORTER GROUP system of internal control	17
3.4. General control principles.....	18

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

4. SUPERVISORY BODY.....	18
4.1. Requirements and powers of the Supervisory Body	18
4.2 Powers and duties of the Supervisory Body.....	19
4.3 Term of office, forfeiture and revocation	20
4.5. Information flows to the Supervisory Body	22
4.5. The Supervisory Body reporting	23
4.6. Employee training and information	23
4.7. Communication with consultants, associates, suppliers and other Subjects	24
5. DISCIPLINARY SYSTEM.....	25
5.1. Measures with regard to employees	25
5.2. Measures with regard to managers.....	26
5.3. Measures with regard to Directors	27
5.4. Measures with regard to Statutory Auditors	27
5.5 Measures with regard of the Senior Managers.....	27
5.6 Measures with regard to consultants and associates, suppliers and partners	27
SPECIAL PART	29
1. PRELIMINARY STATEMENT.....	29
2. STRUCTURE OF THE SPECIAL PART OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF YOOX NET-A-PORTER GROUP PURSUANT TO LEGISLATIVE DECREE 231/2001	30

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

DEFINITIONS

- **“Sensitive activities”**: Business activities that are directly or indirectly connected to the potential risk of commission of the crimes provided for by Legislative Decree 231/01.
- **“National Labour Contracts”**: the national labour contracts applicable to Company Employees, i.e. the current National Labour Contract for Employees of Tertiary Sector, Distribution and Services Companies (as amended), or - for managers - the current National Labour Contract for Managers in the Tertiary, Distribution and Services Sector (as amended).
- **“Code of Ethics”**: the document adopted by Company management as the expression of Company policy, setting out the general ethical standards of conduct (guidelines, duties and/or restrictions) that all its Subjects are required to follow.
- **“Associates”**: in general, Persons who collaborate with the Company and have specific powers (without being in an employment relationship) under an agency, commercial representation or other relationship that does not equate to employment, whether performed on a coordinated and continuous basis, occasionally or in any autonomous form, as well as those who represent the Company before third parties by virtue of authorisations and powers of attorney to this effect.
- **“Consultants”**: those who provide information and opinions and assist the Company in performing specific actions by virtue of their proven experience and professional ability in specific areas.
- **“Subjects”**: the Corporate Bodies (except for the Supervisory Body), the Directors, Statutory Auditors, Employees (including Managers), Associates, Consultants, Suppliers, partners and, more generally, all those who, for any reason, work on Risk Areas/Vulnerable Activities on behalf or in the interests of the Company.
- **“Legislative Decree 231/01” or the “Decree”**: Legislative Decree 231 of June 8, 2001 on the “Regulation of the Administrative Liability of Legal Persons and Companies and Associations with or without Legal Personality, pursuant to Article 11 of Law 300 of September 29, 2000,” as amended.
- **“Employees”**: all persons engaged in any kind of employment relationship with the Company.
- **“Suppliers”**: those who supply the Company with goods or services.
- **“Guidelines”**: Guidelines for the construction of the Organization, Management and Control Models pursuant to Legislative Decree No. 231 of 2001 issued by Confindustria on 7 March 2002 and approved by the Ministry of Justice with the Ministerial Decree of 4 December 2003, which considered them suitable for achieving the purposes of the Decree. These Guidelines were subsequently updated to March 2008 and March 2014.
- **“Organisation Model” or “Model”**: the Organisation, Management and Control Model designed to prevent the Crimes, adopted by the Company pursuant to Articles 6 and 7 of Legislative Decree 231/01 to prevent commission of the Crimes by Apical Persons or persons under their direction and supervision.
- **“Corporate Bodies” or “Company Bodies”**: the Company’s Board of Directors and Board of Statutory Orders and their respective members.
- **“Supervisory Body”**: the structure described in Article 6 of the Legislative Decree, which is responsible for supervising the efficacy, functioning and observance of the Organisation, Management and Control Model.
- **“Protocols”**: the organisational, physical and/or logical measures set out to prevent the Crimes.
- **“Crime”/“Crimes”**: the set of crimes/the individual crime referred to in Legislative Decree 231/01 (as amended).
- **“Company”**: YOOX NET-A-PORTER GROUP
- **“Apical Persons”**: the persons referred to in Article 5(1)(a) of the Decree, i.e. the persons who represent, administer and manage the Company or one of its financially and functionally independent organisational units, regardless the contractual relationship: the members of the Board of Directors, the Chairman, the Chief Executive Officer, the members of the

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

Executive Board (where applicable), the General Manager (where applicable), senior Managers, Employees with particular autonomy and decision-making powers, agents (where applicable) and attorneys.

- **“Subordinate Persons”**: the persons referred to in Article 5(1)(b) of the Decree, i.e. all those persons - including Employees, Associates, External Persons, etc. - who are managed or supervised by one of the Apical Persons.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

GENERAL PART

INTRODUCTION

YOOX NET-A-PORTER GROUP (hereinafter also referred to as “YNAP” or the “Company”) appreciates the need to ensure propriety and transparency in the conduct of business affairs and activities, in order to safeguard its position and reputation, satisfy the expectations of its shareholders and protect its Employees.

With this in mind, YOOX NET-A-PORTER GROUP decided that it would be in line with its policy to draw up and formally adopt an Organisation, Management and Control Model, as provided for by Legislative Decree 231/2001 (hereinafter also referred to as “Decree 231” or, simply, the “Decree”).

This Organisation Management and Control Model (hereinafter also referred to as the “Model”) and the principles contained therein govern the actions of the Corporate Bodies, Employees, Associates, Consultants, Suppliers, Business Partners and, more generally, all those who, for any reason, work in connection with the “Sensitive Activities” on behalf or in the interests of the Company (hereinafter also collectively referred to as the “Subjects”).

1. LEGISLATIVE DECREE 231/2001

1.1. The law

Legislative Decree 231 of June 8, 2001, implementing Enabling Law 300 of September 29, 2000, saw the introduction in Italy of the “*Regulation of the Administrative Liabilities of Legal Persons and Companies and Associations without Legal Personality*” (hereinafter also referred to, for the sake of brevity, as “Legislative Decree 231/2001”, “Decree 231”, or simply the “Decree”). This was part of a broad legislative process to combat corruption and bring Italian laws on the liability of legal persons into line with a number of International Conventions previously signed by Italy¹.

Decree 231 establishes a system of administrative liability (which is substantially comparable to criminal liability) of legal persons and companies and associations, including those without legal personality (hereinafter also referred to, for the sake of brevity, as the “Entity/Entities”), which is in addition to the liability of the natural person who physically committed the crime and aims to involve, in the punishment of that crime, the Entities in whose interest or benefit the crime was committed. This administrative liability only exists if one of the crimes explicitly listed in the Decree is committed.

It should be pointed out that, as detailed below, this liability arises only in relation to the commission of particular categories of crimes by the persons expressly identified in the Decree and only if the illegal action was taken *in the interests or for the benefit* of the Entity. However, the Entity shall not be liable if the perpetrators of the crime, whether they be Apical Persons or Subordinates, are deemed to have acted solely in their own interests or in the interests of third parties.

1.1.1. Scope of application

Article 1 of Legislative Decree 231/2001 limits the scope of the law to “entities with legal personality, and companies and associations with or without legal personality”. Considering this, the law applies to:

- *private entities*, i.e. entities with legal personality and associations “with or without” legal personality;

¹ EU Convention of 26 May 1997 against corruption, OECD Convention of 17 September 1997 on combating bribery of foreign public officials in international business transactions, United Nations Convention Against Corruption (UNCAC) of 31 October 2003.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- *public entities*, i.e. entities with public status but without public powers (known as “for-profit public entities”);
- *mixed public/private entities* (known as “public-private partnerships” or “PPPs”).

However, the following are *excluded* from the scope of the law: the State, local public entities (Regions, Provinces, Municipalities and Mountain Communities), not-for-profit public entities and, in general, all entities that perform constitutional roles (Chamber of Deputies, Senate of the Republic, Constitutional Court, Secretariat General of the Office of the President of the Republic, the Magistrates Governing Body (CSM), etc.). Sole proprietorships are also understood to be outside the scope of the Decree.

1.1.2. Nature and characteristics of administrative liability

Decree 231 introduced into Italian law the principle of administrative liability for crimes arising from illegal actions committed by people acting in the name and on behalf of the Entity they represent, and in particular by:

- a) persons who occupy positions of representation, administration or management of an entity or one of its organisational units that is financially and functionally autonomous, as well as persons who, even *de facto*, manage and control the entity itself (known as “persons in apical positions” or “Apical Persons”);
- b) persons subject to the management or supervision of one of the persons described in the preceding letter (“persons in subordinate positions” or “Subordinate Persons”).

The administrative liability of the Entity for the commission of one of the crimes provided for is in addition to, and not instead of, the liability of the physical person who committed it.

In the cases expressly covered by the law, the traditional liability of the perpetrator and other forms of liability arising from the crime are joined by the liability of the Entity, which faces specific sanctions for that crime.

If the crime meets the conditions of the law, it works on a dual level in that it incorporates both the crime ascribed to the individual who committed it (punished with a criminal sanction) and the Entity’s administrative offence (punished with an administrative sanction).

The Entity is liable even if the perpetrator of the crime has not been identified and even if the crime itself is no longer punishable for any reason other than an amnesty.

Administrative sanctions against the Entity are statute-barred, unless interrupted, 5 years after the date on which the crime was committed.

Decree 231, which is characterized by a typically ‘criminal’ approach, has adapted from the criminal system the various aspects of the *general principle of legality*: regulation by statute, peremptoriness (or specificity of the crime), non-retroactivity and the prohibition of interpretation by analogy. Specifically:

- the *principle of regulation by statute* rules out the administrative liability of the Entity in the absence of a specific legislative provision;
- the *principle of peremptoriness or specificity of the crime* means that the administrative liability of the Entity and the consequent sanctions must be set forth explicitly, in order to avoid any arbitrary interpretations;
- the *principle of non-retroactivity of the administrative sanctioning law* means that the law under which the sanctions are ordered came into force before the crime was committed;
- the *prohibition of interpretation by analogy* rules out recourse to similar cases or issues in the absence of a specific rule on the case in question.

Article 5 of Legislative Decree 231/2001 sets out three conditions which must be met if the crime is to be attributed to the entity:

- the crime must have been committed in the interests or for the benefit of the Entity;
- the agents must be natural persons in apical or subordinate positions;
- the agents must not have acted out of exclusive self-interest or in the exclusive interests of third parties.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

In the event that several persons participate in the commission of the crime (hypothesis of participation of persons in the crime, Article 110 of the Penal Code), the “qualified” person does not need to have committed the actual, essential action provided for by criminal law but must only have made a knowingly causal contribution to the commission of the crime.

1.1.3. Geographical scope of application of the Decree

With reference to the geographical scope of application of the Decree, the entity may be held liable in Italy for crimes committed abroad (that are taken into account for the purposes of administrative liability) if:

- a. the crime is committed abroad by a person with functional links to the entity (meeting the conditions examined above);
- b. the entity has its headquarters in Italian territory;
- c. the conditions set out in Articles 7-10 of the Penal Code are met (and if the law requires that the physical perpetrator is punished at the request of the Minister of Justice, proceedings are only brought against the entity if the request also covers said entity);
- d. the conditions set out in the aforesaid articles of the Penal Code are met and the State of the place in which the crime was committed has not opened proceedings.

These rules concern crimes committed entirely abroad by senior or subordinate persons. For criminal conduct taking place only partially in Italy, the principle of territoriality applies pursuant to Article 6 of the Italian Criminal Code, whereby “the crime shall be deemed to be committed in State territory when the action or omission forming it has taken place wholly or partially there, or the event giving rise to the action or omission has occurred there”.

1.1.4. Predicate Crimes

Decree 231 expressly identifies the crimes (offences and violations) that can trigger the liability of the Entity if said crimes are committed in its interests or for its benefit.

The categories of crime covered by the law (hereinafter, for the sake of brevity, also referred to as the “**Predicate Crimes**”) are:

- Misappropriation to the detriment of the State, misappropriation to the detriment of the State, and Fraud to the detriment of the State or another Public Entity (Article 24);
- computer crimes and illicit data processing (Article 24-bis);
- organised crime offences (Article 24-ter);
- Corruption in relation to exercise of a public function, Corruption to perform action in contravention of official duties and Inducement to commit corruption (Article 25)
- crimes consisting of forgery of coins, public credit notes, duty stamps, identification instruments and distinctive signs (Article 25-bis);
- crimes against industry and commerce (Article 25-bis1);
- corporate crimes (Article 25-ter);
- crimes of terrorism and subversion of democratic law (Article 25-quater);
- customs of mutilation of female genitalia (Article 25-quater1);
- crimes against the person (Article 25-quinquies);

- market-abuse crimes (Article 25-sexies);
- manslaughter or serious or very serious grievous bodily harm, committed in violation of health and safety at work regulations (Article 25-septies);
- crimes of receipt, laundering and use of money, goods or benefits of illicit origin, and self money laundering (Article 25-octies);
- crimes concerning the violation of copyright (Article 25-novies);

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- the crime of inducing persons not to make statements or to make false statements to judicial authorities (Article 25-decies);
- environmental crimes (Article 25-undecies);
- transnational crimes (L. 146/2006)
- the crime of employing illegally-staying third-country nationals (Article 25-duodecies);

Refer to the Legal Appendix to this Model for a detailed description of all the crimes linked to each category listed above.

1.1.5. Sanctions provided for by the Decree

Legislative Decree 231 of 2001 sets out the following types of sanctions applicable to entities subject to the law:

- (a) administrative fines;
- (b) prohibitory sanctions;
- (c) seizure of the price or the profit from the crime;
- (d) publication of the judgment.

(a) **The administrative fine** is the “basic” and necessary sanction, which the Entity must pay out of its own assets or common funds.

Legislators have adopted a new criterion for calculating the fine, requiring the judge to carry out two separate and consecutive assessment operations. This results in a sanction that better reflects the gravity of the crime and the economic status of the Entity.

The Judge determines:

- a) the number of penalty units (never less than 100 or more than 1000)², bearing in mind:
 - the seriousness of the crime;
 - the degree of responsibility of the Entity;
 - the actions taken to eliminate or mitigate the consequences of the crime and to prevent the commission of further crimes;
 -
- b) the value of each penalty unit, between the predetermined minimum and maximum levels for the offences being sanctioned, from a minimum of EUR 258.00 to a maximum of EUR 1,549.00. The amount is set “*on the basis of the financial conditions and assets of the entity, to ensure the effectiveness of the sanction*”.

Fines may also be reduced if a number of conditions are met relating to: a) the level of interest or benefit gained and the financial damage sustained, b) the measures taken by the Entity to reduce or eliminate the damage caused by the crime.

- (b) **The prohibitory sanctions** set out in the Decree apply only to the crimes expressly provided for, and may take the following forms:
 - disqualification from carrying on business activities;
 - suspension or revocation of authorisations, licences or concessions relating to the offence committed;
 - exclusion from contracts with the Public Administration, except for the purposes of receiving a public service;
 - exclusion from entitlement to public concessions, grants, contribution or subsidies and/or the revocation of any such already granted;

² With regard to market-abuse crimes, the second paragraph of Article 25-sexies of Legislative Decree 231 of 2001 provides that: “*If, following the commission of the crimes referred to in paragraph 1, the result or the profit earned by the entity is significant, the sanction is increased by up to ten times that result or profit.*”

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- prohibition of advertising of goods or services.

In order for the prohibitory sanctions to be imposed, at least one of the following conditions must be met:

- the Entity has realised significant profit from the crime and the crime was committed by persons in apical positions or by persons under the direction of others when, in this case, the commission of the crime was caused or facilitated by serious organisational shortcomings; or
- if there is a repetition of the offences³.

The prohibitory sanctions may also be requested by the Prosecutor and imposed on the Entity by the Judge on a provisional basis if:

- there are serious grounds to believe that the Entity is responsible for an administrative offence resulting from a crime;
- there are specific grounds to believe that there is a genuine danger that offences of the same nature as the crime under investigation will be committed;
- the Entity has made a significant profit.

In all cases, prohibitory sanctions are not applied when the crime was committed mainly for the benefit of the perpetrator or third parties and the Entity has gained minimal benefit or no benefit from it, or if the financial damage caused was particularly small.

The prohibitory sanctions also cannot be applied if the Entity has taken the reparative actions set out in Article 17 of the Decree and, more specifically, when the following conditions are met:

- the Entity has fully compensated for the damage and eliminated the damaging or dangerous consequences of the crime, or made genuine efforts to do so;
- the Entity has eliminated the organisational shortcomings that caused the crime, adopting organisational models designed to prevent that kind of crime;
- the Entity has made the profit earned available for confiscation.

The prohibitory sanctions have a duration of not less than three months and not more than two years, and the decision on which measure to apply and its duration will be made by the Judge on the basis of the criteria set out above for calculating the fine, *“taking account of the suitability of the individual sanctions for preventing offences of the type committed.”*

As specified by the legislation, disqualification from carrying on business is secondary to the other prohibitory sanctions.

- (c) The adverse judgment also provides for the **confiscation** - including by equivalent compensation - of **the price** (cash or another economic medium given or promised to induce or cause another person to commit the crime) or of **the profit** (immediately realised proceeds) of **the crime**, except for the amount that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.
- (d) The **publication of the adverse judgment** in one or more newspapers, in extract form or in full, may be ordered by the Judge, as well as the posting of public notices in the municipality where the Entity has its headquarters, when a prohibitory sanction is imposed. Publication is arranged by the Registrar's Office of the competent Judge at the expense of the Entity.

If the predicate crimes described in the Decree are attempted and not actually committed, the fines (in terms of the amount) and the prohibitions (in terms of time) are reduced by one third to one half. An entity is exempt from the penalties if it voluntarily prevents the deed from being accomplished or the event from occurring (Article 26 of the Decree).

³ According to Article 20 of Legislative Decree 231 of 2001, *“there is repetition when the entity, having already been definitively found guilty on at least one occasion of an offence resulting from a crime, commits another within the five years following the definitive judgment.”*

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

1.1.6. Absolving effect

Articles 6 and 7 of Legislative Decree 231/2001 provide for specific and different ways of **exonerating the Entity from administrative liability** for the crimes committed in its interests or to its benefit by Apical Persons or Subordinate Persons (as defined in the “Definitions” paragraph and within this document).

In the case of crimes committed by Apical Persons, as set forth in Article 6 of the Decree, the Entity is exonerated from liability if it can show that:

- a) the governing body adopted and effectively implemented, before the fact was committed, an appropriate organisation and management model designed to prevent crimes of the type committed (the “**Model**”);
- a) the task of supervising the functioning and observance of the Model and updating it was entrusted to a structure within the Entity (the “**Supervisory Body**”) with independent powers of intervention and control;
- b) the persons who committed the crime acted by fraudulently evading the Model;
- c) there was no omission or insufficiency of supervision by the Supervisory Body.

In the case of crimes committed by Subordinate Persons, Article 7 of the Decree provides for exoneration from liability for the Entity if - prior to the commission of the crime - it has adopted and effectively implemented a Model designed to prevent crimes of this type from being committed. The Entity is held liable if the commission of the crime was made possible by failure to observe management or supervisory obligations. In this circumstance, the burden of proving the liability of the Entity falls on the public prosecutor.

The Entity is not, however, exonerated from liability by the mere adoption of the Model, but rather by its effective enforcement through the implementation of all protocols and controls necessary to minimise the risk of the crimes that the Company intends to guard against being committed.

1.1.7. Expected characteristics of Models

With regard to the characteristics of the Model, Article 6(2) of the Decree expressly provides that the Model must:

- a) identify the activities in the context of which there is a possibility of crimes being committed;
- b) set out specific protocols to programme the formation and implementation of the Entity’s decisions in relation to the crimes to be prevented;
- c) identify ways of managing financial resources in order to prevent the crimes from being committed;
- d) set out obligations of reporting to the Supervisory Body;
- e) introduce an appropriate disciplinary system capable of punishing failures to comply with the measures set out in the Model.

With regard to the risk of offences relating to health and safety at work, the general system must take account of current prevention legislation and, in particular, of Legislative Decree 81 of April 9, 2008 “Consolidated Act on the Protection of Health and Safety in the Workplace”.

According to the provisions of Article 30 of the above-mentioned Legislative Decree 81/08, with regard to health and safety at work, in order for the Model to exonerate the Entity from liability pursuant to Legislative Decree 231/01, the Entity must - through suitable internal recording systems - ensure that the following activities are performed:

- compliance with legal technical and structural standards on equipment, workplaces and chemical, physical and biological agents;
- risk assessment activities and implementation of the resulting preventive and protective measures;
- management of emergencies, first aid, contract management, periodic safety meetings and consultation with workers’ safety representatives;
- supervision of health and hygiene;
- provision of information and training for workers;
- oversight activities relating to compliance with operational safety procedures and instructions by workers;

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- acquisition of the documentation and certifications required by law;
- periodic verification of the application and effectiveness of the procedures adopted.

The Organisation Model must in any case set out a system of functions that ensures the technical expertise and powers needed to verify, assess, manage and control risks, as well as an appropriate disciplinary system that punishes any failure to comply with the measures set out in the Model.

The Organisation Model must also provide for an appropriate system to monitor the implementation of the Model and to maintain, over time, the appropriateness of the measures adopted. The Organisation Model must be reviewed and amended when significant violations of regulations on accident prevention and hygiene at work occur, or when organisational changes and scientific and technological progress occur.

1.1.8. The Confindustria Guidelines

As expressly indicated in the Article 6, Models may be adopted on the basis of codes of conduct drawn up by industry associations that have been sent to the Ministry of Justice, which - in conjunction with the competent ministries - may formulate observations within 30 days on the suitability of the models for preventing the crimes.

This Model was prepared on the basis of the Guidelines for the creation of Organisation, Management and Control Models pursuant to Legislative Decree 231/2001, issued by Confindustria on March 7, 2002 and approved by the Ministry of Justice in the latest version of March 2014.

The process set out in the Guidelines for drawing up the Model can be broken down into the following main points:

- identification of Risk Areas, in order to verify the business areas/sectors in which there is a possibility of crimes being committed;
- preparation of a control system to reduce risks through the adoption of suitable protocols. This is assisted by the combination of organisational structures, activities and rules applied - at the suggestion of top management - by managers and consultants, with the aim of providing reasonable assurance of the achievement of the objectives that make for a good internal control system.

According to the Confindustria Guidelines, the system of preventive controls must, in general, be designed to satisfy the following rules:

- every operation must be verifiable, documented, coherent and compliant;
- functions must be separated (no-one may manage all phases of a process autonomously);
- controls must be documented.

The most important components of the preventive control system proposed in the Confindustria Guidelines are, in relation to the prevention of intentional crimes:

- the Code of Ethics;
- the organisational system;
- manual and IT procedures;
- powers of authorisation and signature;
- the integrated control system;
- staff communication and training.

With reference to crimes of negligence (crimes concerning health and safety at work and certain circumstances relating to environmental crimes), the most significant components identified by Confindustria are:

- the Code of Ethics (or Code of Ethics) with reference to the crimes concerned;
- the organisational structure,
- training and instruction,
- communication and participation,
- operational management,
- the safety monitoring system.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- introduction of a system of punishments for violations of the regulations and protocols set out in the Model;
- identification of a Supervisory Body, whose main requirements are autonomy, independence, professional and continuous operation, and the obligation for business functions - particularly those identified as being involved in the Sensitive Activities - to provide information to the Supervisory Body, both on a structured basis (periodic reporting in implementation of the Model) and to report any anomalies or irregularities found in the available information.

2. ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL AT YOOX NET-A-PORTER GROUP

2.1. Adoption of the Model at YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP formally adopted its Organisation, Management and Control Model on September 3, 2009. Subsequently it updated and expanded its Model, taking account of:

- changes in the Company's business organisation;
- the evolution of case law and legal doctrine;
- the practices of Italian companies with regard to the models;
- considerations arising from the application of the Model
- the results of supervisory activities;
- the evolution of the regulatory framework.

2.2. The current Model

2.2.1. Aims of the Organisation, Management and Control Model of YNAP

The Model prepared by the Company, based on the identification of Areas of possible risk in the business activities in which there is a theoretically greater risk of crimes being committed, has the following main aims:

- to document the main features of the Company's prevention and control system, designed to reduce the risk of commission of crimes connected with company activities;
- to advise all persons working in the name and on behalf of YOOX NET-A-PORTER GROUP - especially persons involved in "Risk Areas" and "Vulnerable Activities" - that if they violate the provisions set out in the Model by committing an offence liable to sanctions, they may bring criminal and administrative sanctions not only upon themselves but also upon the company;
- to make clear that YOOX NET-A-PORTER GROUP does not tolerate illegal actions of any type, regardless of their objectives, and that in any case such actions (even if the Company was apparently likely to benefit from them) are contrary to the principles on which the Company's business activities are based;
- to notify all persons who work with the Company that any violation of the rules set out in the Model will result in the application of appropriate sanctions and possibly the termination of the employment relationship.

2.2.2. The construction of the Model

In preparing this Model, the utmost consideration was given to the Confindustria Guidelines, recognised frameworks and best practices with regard to Internal Control Systems, and the available information relating to prevailing case law and doctrinal guidelines.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

In accordance with the Guidelines, the Model was constructed and updated according to the following phases:

- i. preliminary review of the business context by analysing the relevant company documentation and conducting interviews with managers of YOOX NET-A-PORTER GROUP with knowledge of the Company's structure and activities, in order to define the organisation and activities performed by the various organisational units/business functions, as well as the business processes in which the activities are performed and their actual performance;
- ii. identification of "at-risk" business areas and processes, based on the aforesaid preliminary examination of the business context (cumulatively referred as "**Sensitive Activities**");
- iii. hypothetical definition of the main ways in which the Predicate Crimes could be committed within the individual Sensitive Activities;
- iv. observation, assessment and, where necessary, improvement of the control system in order to prevent the commission of the Predicate Crimes.

All the documentation relating to the creation and updating of the Model is kept duly filed at the Company's headquarters.

2.2.3. Structure of the Model

The Model is made up of:

- a "**General Part**";
- a "**Special Part**" relating to the categories of crimes covered by Legislative Decree 231/01 deemed relevant to the Company because of the nature and characteristics of the activities performed;
- a "**Legal Appendix**" providing detailed information about the crimes governed by the Decree

The **General Part** describes the purposes and main characteristics of the Model, and sets out the general principles that the Company follows when managing its business and that therefore apply to the Company in a broad sense and not only for the performance of risky activities.

The purpose of the Special Part, relating to the categories of crimes deemed relevant to the Company, is:

- to identify crimes that could potentially be committed in the company;
- to identify, in relation to theoretically relevant crimes, the relevant Risk Areas and Vulnerable Activities connected with them;
- to establish the (internal and external) legal and regulatory sources with which Subjects must comply;
- to recall the main standards of behaviour that must be complied with and the main preventive measures that must be taken.

2.2.4. Amendments and additions to the Model

In accordance with Article 6(1)(a) of Legislative Decree 231/01, the Organisation, Management and Control Model is an "official document issued by the Managing Body", i.e. the Board of Directors of the Company. The Decree requires this Model to be adopted by the Managing Body, which is also responsible for supplementing this Model with further Sections of the Special Part relating to other types of Predicate Crimes added to Legislative Decree 231 of 2001.

All substantive amendments and additions to the Model are therefore the exclusive responsibility of the Board of Directors of YOOX NET-A-PORTER GROUP.

2.3. Documents connected with the Model

The following documents or "Protocols" are an integral and substantive completion part of this Model:

1. the disciplinary system and the relevant sanction mechanism to be applied in the event of violation of the Model;

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

2. the system of authorisations and powers of attorney, as well as all documents having the purpose of describing and allocating responsibilities and/or tasks to people who work within the Entity in Sensitive Activities (e.g. organisational charts, service orders, job descriptions, descriptions of tasks, functional diagrams, etc.);
4. the system of policies, procedures and risk and internal controls system in general, designed to ensure adequate transparency and knowledge of decision-making and financial processes, as well as of the standards of behaviour that must be followed by the Subjects of this Model who work in Crime-Risk Areas.

The Code of Ethics, which sanctions the rules of “business ethics” that YNAP recognizes as its own and which it requires its corporate bodies, employees and stakeholders in general to observe, affirms suitable principles for preventing the unlawful behaviour referred to in the Decree. Therefore it acquires relevance for the purposes of the Model as well and constituting an additional element thereto, together with the Code of Behaviour and the Code of Conduct for suppliers shortly to be adopted.

It therefore follows that the term “Model” must be understood to mean not only this document, but also all other Protocols that are adopted and constantly updated for the pursue its stated objectives.

3. ELEMENTS OF THE GOVERNANCE MODEL AND GENERAL ORGANISATIONAL STRUCTURE OF YOOX NET-A-PORTER GROUP

3.1. Company activities

YOOX NET-A-PORTER GROUP is the global leader in luxury fashion e-commerce. The Group, which is a global business with Anglo-Italian roots, is the result of the revolutionary merger, that took place in October 2015, between YOOX GROUP and THE NET-A-PORTER GROUP, two pioneers which have transformed the fashion and luxury sector since 2000.

YOOX NET-A-PORTER GROUP has a unique positioning in the high-growth online luxury sector with techno-logistic centres and offices in Europe, USA, Japan, China and Hong Kong and supplies over 180 countries of the world. It operates through the following online stores:

- NET-A-PORTER / www.net-a-porter.com, founded in June 2000, has made its name as the online leading destination in the world of editorial content and luxury e-commerce. A pioneer of innovation, NET-A-PORTER is recognized for its incomparable editorial content and for the unique selection of fashion and beauty brands.
- MR PORTER / www.mrporter.com, founded in February 2011, has made its name globally as a point of reference for men’s fashion, combining a unique product offer which includes men’s clothing brands, accessories, watches and beauty products.
- YOOX / www.yoox.com, founded in 2000, is the online lifestyle leader store in the world of fashion, design and art. YOOX offers an infinite choice of products, including: a wide range of clothing and accessories of the more well-known designers in the world for men and women difficult to find, a unique range of design objects, exclusive collaborations with well-known international designers, brands attentive to social and environmental responsibility and children’s fashion.
- THE OUTNET / www.theoutnet.com, founded in 2009, is the fashion outlet for experts in style looking for products produced by the best designer at optimum prices.
- The media & publishing division is able to create high-level content for the award-winning Group publications, such as PORTER and the digital editions, reaching consumers in a unique and authentic way.
- YOOX NET-A-PORTER GROUP is also the strategic e-commerce partner of the fashion and luxury brand leaders, for which the Group designs and manages the ONLINE FLAGSHIP STORES. With 17 years of experience in luxury e-commerce at international level, YOOX NET-A-PORTER GROUP offers its brand partners complete solutions that include the study and realization of the creative concept, highly innovative interface design, a global technological

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

and logistic platform, research and development, excellent customer care, international web marketing activities and strategic advice in e-commerce business.

Since 2012, the Group has also partnered Kering in a joint venture dedicated to the management of the ONLINE FLAGSHIP STORES of various luxury brands of the French Group. In 2016, YOOX NET-A-PORTER GROUP joined forces with Symphonyper to establish a revolutionary joint venture to create the undisputed leader in luxury e-commerce in the Middle East.

YOOX NET-A-PORTER GROUP is listed on the “Mercato Telematico Azionario” (screen-based equity market) managed by Borsa Italiana SpA.

3.2. The Company’s Governance Model

YOOX NET-A-PORTER GROUP’s governance model and, in general, its whole organisational system, is entirely structured to enable to the Company to pursue its strategies and achieve its defined objectives.

Given the specific nature of its organisational structure and the activities that it carries out, the Company has favoured the so-called “traditional system”, involving a Board of Directors with administrative functions, vested with all powers for the ordinary and extraordinary management of the Company, without any exception, and all powers to pursue and achieve the corporate objectives, plus a Board of Statutory Auditors tasked with overseeing the management of the Company. Both boards are appointed by the Shareholders’ meeting.

YOOX NET-A-PORTER GROUP’s corporate governance system is therefore currently structured as follows:

A) Shareholders’ Meeting:

The Shareholders’ Meeting represents all shareholders. The Shareholders’ Meeting is responsible for making decisions, in ordinary and extraordinary sessions, on the matters reserved to it by Law or the By-Laws.

B) Board of Directors:

The Company is managed by a Board of Directors composed of a minimum of five to a maximum of fifteen Directors, respecting the gender balance pursuant to Article 147-ter (1-ter) of Legislative Decree 58/1998, as introduced by Law No. 120 of 12 July 2011. The Directors remain in office for a period of not more than three financial years, expiring at the date of the Shareholders’ Meeting called to approve the financial statements for the last financial year of their term, and may be re-elected.

The Board of Directors is vested with all powers to manage the Company, and to this end, may pass any resolutions or carry out any measures that it deems necessary or useful to fulfil the corporate purpose, with the exception of matters reserved to the Shareholders’ Meeting by law or the By-Laws. If the Shareholders’ Meeting has not already done so, the Board of Directors elects the Chairman from among its members. It may also elect one or more Vice Chairmen, who will remain in their respective post(s) for the duration of their term of office as Director, which expires on the date of the Shareholders’ Meeting called to approve the financial statements of the last year of their term. The Vice-Chairman or Vice-Chairmen, where appointed, have powers of proxy in respect of the Chairman in the cases provided for by the By-Laws. Within the Board, the Directors’ Appointments Committee, the Remuneration Committee, the Control and Risk Committee and the Committee for Related-Party Transactions have been set up.

C) Board of Statutory Auditors:

The Board of Statutory Auditors is made up of three standing auditors and two alternate auditors. The statutory auditors’ term of office is three years, expiring on the date of the Shareholders’ Meeting called to approve the financial statements of the last year of their term. Statutory auditors may be re-elected. Their remuneration is determined by the Shareholders’ Meeting upon their appointment for the entire duration of their term of office.

An external auditor is appointed to carry out the official audit of the accounts.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

3.3. The YOOX NET-A-PORTER GROUP system of internal control

The internal control and risk management system, as defined in the Corporate Governance Report and the ownership structures, is the set of rules, procedures and organisational structures aimed at allowing the operation of a healthy and honest enterprise, consistent with the pre-established objectives, by means of an adequate process for the identification, measurement, management and monitoring of the main risks.

In this context, YOOX NET-A-PORTER GROUP has adopted the following general mechanisms to guide the formation and implementation of Company decisions (including with regard to the prevention of crimes);

- the company Code of Ethics, which defines all the values recognized, accepted and shared by the YOOX NET-A-PORTER GROUP community at all levels in carrying out business activities, prescribing behaviour in line with those values;
- the Self-Disciplinary Code, adopted on the basis of the suggestions made by Borsa Italiana Spa;
- the system of authorisations and powers of attorney;
- the documentation and provisions relating to the hierarchical, functional and organisational structure of the Company;
- the body of corporate directives and procedures for governing and regulating business activities, including the administrative, accounting and reporting system;
- company communications and circulars to staff;
- compulsory, appropriate and tailored training for all staff;
- the sanctions system, consistent with the relevant National Labour Contract;
- the domestic and foreign legal and regulatory “corpus”, as applicable.
- the Group’s “Anti-Corruption Compliance Program” which identifies the relevant legislation for foreign companies on corruption and defines expected standards of behaviour and control, as well as responsibility for carrying out checks to guarantee the observance thereof and for dedicated training activities;
- the Model pursuant to Law No. 262/05, with regard to the powers associated with the figure of the Manager responsible for preparing the corporate accounting documents and the activities relating to the organisation, formalization and check on suitability and effective functioning of the administrative and accounting procedures and the active procedures for preparing the financial information;
- the Health and Safety at Work Management System complying with British Standard OHSAS 18001:2007 certified by a third party, in order to comply with the requirements defined by the legislation on health and safety in the work place, with particular reference to Legislative Decree No. 81/2008;
- the Environmental Management System complying with standard UNI EN ISO 14001:2004 and supplemented with the aforesaid Health and Safety at Work Management System, certified by authorized third parties, in order to comply with the environmental legislative requirements³;
- the Information Security Management System based on international standard ISO/IEC 27001 for the management of risks relating to the confidentiality, integrity and availability of the business information, observing the provisions of the current General Data Protection Regulation (GDPR), managed by the Information Security Division with the supervision of the Security Risk & Compliance Department;
- the Social Responsibility Management System complying with the international reference standard SA8000 (Social Accountability);
- the Whistleblowing System for reporting any irregularities and violation by employees, guaranteeing a specific, confidential information channel and the anonymity of the reporter.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

A key role in the management of internal controls and business risks is also performed by the business divisions which, although not mentioned above, perform level 2 or 3 controls on business processes, or provide assistance and advice for the operative divisions.

3.4. General control principles

Principles for the decision making process, described in each Section of the Special Part of this Model, are defined following the general controls applicable to all Sensitive Activities:

- **Transparency:** every operation/transaction/action must be justifiable, verifiable, coherent and compliant;
- **Separation of functions/powers:** no-one may manage an entire process autonomously or have unlimited powers; authorisations and signatory powers must be consistent with the assigned organisational responsibilities;
- **Adequacy of internal regulations:** the body of company regulations must be coherent with the operations performed and the level of organisational complexity, and must be capable of ensuring the necessary controls to prevent the commission of the crimes provided for by the Decree;
- **Traceability and documentation:** every operation/transaction/action, as well as the related checks and controls, must be documented, and the documentation must be properly archived.

4. SUPERVISORY BODY

In accordance with the principles laid down by Legislative Decree 231/01, the Board of Directors of YNAP has assigned the task of supervising the functioning, efficacy and observance of the Model to an autonomous and independent Company body with specific powers of initiative and control (known as the “Supervisory Body”). Therefore, the Supervisory Body performs its functions outside the Company’s operative processes, reporting periodically to the Board of Directors, having no hierarchical relationship with the Board itself or with the individual Department managers.

In accordance with the provisions of Legislative Decree 231/2001, the Board of Directors of YOOX NET-A-PORTER GROUP has established the Supervisory Body, composed of two external members and one internal, which, with its competence in legal and administrative matters and in the internal control system, guarantees observance of the requirements described below.

4.1. Requirements and powers of the Supervisory Body

The following requirements must be met when selecting the members of the Supervisory Body and positioning it as a whole:

- **autonomy and independence**, with regard to its organisational position, ensuring its freedom to perform supervisory activities without any form of interference and/or restriction imposed by any component of the Company, and with regard to the non-attribution of responsibilities that could undermine its objectivity;
- **professionalism**, with reference to the selection of members with adequate knowledge, means and ability to perform the duties entrusted to him/her;
- **continuity of action**, with reference to the establishment of a structure that is permanently dedicated to supervising compliance with the Model and to the nominee of a Company employee in the Supervisory Body itself.

For the performance of its duties, the Supervisory Body may have access to all Company functions, without the need for any prior consent, in order to obtain at any moment all the information deemed necessary to perform its duties.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

The activities performed by the Supervisory Body cannot be challenged by any other corporate body or structure, although the Governing Body is in any case required to oversee the adequacy and timeliness of its work, since ultimate responsibility for the functioning and efficacy of the Model rests with the said Governing Body.

4.2 Powers and duties of the Supervisory Body

The Company's Supervisory Body is assigned the following duties:

- Supervising the effectiveness of the Model, which consists in ensuring consistency between specific conduct and the Model established;
- Examining the adequacy of the Model, i.e. its actual capacity to prevent undesired conduct overall;
- Analysing the robustness and functionality of the Model over time;
- Updating the Model as required over time, by making specific suggestions to the Board of Directors, if the analyses made render any corrections and adaptations necessary;
- Following up, i.e. checking that the solutions proposed have been implemented and function as intended.

In carrying out these activities, the Body shall:

- Coordinate and collaborate with the Company Departments (through suitable meetings as well) for the best monitoring of the business activities identified in the Model at risk of crime;
- Check the establishment and functioning of specific "dedicated" information channels, aimed at facilitating the flow of reports and information to the Body;
- Perform checks aimed at specific transactions or actions, performed within the scope of the business areas or activities identified as at potential risk of crime;
- Carry out or arrange assessments of the veracity and grounds of reports received;
- Check the actual performance of the information and training initiatives on the Model undertaken by the Company;
- Report to the Board of Directors immediately any violations of the Model by the Company Directors or senior figures therein;
- Report to the Board of Statutory Auditors immediately any violations of the Model by the whole Board of Directors, if well-founded.

In order to carry out the measures listed above, the Body shall have the powers indicated below:

- To investigate reports received to check whether the Code of Ethics and/or the Model have been violated and to assess the grounds thereof, reporting to the competent Department or to the Board of Directors following the investigations conducted, depending on the Company position of the party liable for the violation and the advisability of initiating disciplinary proceedings or of assuming appropriate penalty measures against the party liable;
- To access, without prior authorization, any Company document considered relevant to perform the duties attributed thereto by Legislative Decree 231/2001;
- To ensure that the managers of the Company Departments and, in any event, all Addressees promptly provide the information, data and/or details requested of them to identify aspects related to the various Company activities relevant to the Model and to check the Company's effective implementation thereof;

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- To obtain information on the outcomes of disciplinary proceedings or penalty measures assumed by the Company for established violations of the Code of Ethics and/or the Model and, in the event of filing, to request the grounds thereof.

It should be pointed out that, despite the establishment of the Supervisory Body pursuant to Legislative Decree 231/01, the most senior Company body (Board of Directors) shall maintain all its powers and responsibilities provided for by the Civil Code⁴, plus that relating to the adoption and efficacy of the Model, and the establishment of the Body (Article 6(1)(a) and (b)).

For the better performance of its activities, the Body may delegate one or more specific tasks to its individual members who shall perform them for and on behalf of the Body itself. With regard to the tasks delegated, responsibility deriving therefrom shall fall upon the Body as a whole.

The Company's Board of Directors shall assign to the Supervisory Body an annual expense budget in the sum proposed by the Body itself which shall, in any event, be adequate for the duties assigned thereto. The Body shall decide independently on the expenses to be borne, observing the corporate powers of signature.

4.3 Term of office, forfeiture and revocation

In the choice of members and in its position within the organisation, the Body as a whole shall ensure observance of the following requirements:

The members of the Supervisory Body shall remain in office for a maximum period of three years as from their appointment and may in any event be re-elected. They shall be chosen from persons with an ethical and business profile of indisputable value and shall not be related by blood or marriage to any members of the Board of Directors.

Company employees, provided they do not have managerial powers⁵, and independent professionals may be appointed as members of the Supervisory Body. The latter shall not have any relations with the Company such as to give rise to cases of conflict of interests.

The fees of members of the Supervisory Body shall not give rise to cases of conflict of interests.

Anyone finding himself in one of the following situations may not be appointed as a member of the Supervisory Body and, if appointed, shall forfeit such appointment:

- Relationship by marriage, blood or kinship to the 4th degree, extra-marital cohabitation, or personal relationships with: (a) members of the Board of Directors; (b) persons holding duties of representation, administration or management of the Company or of an organisational structure thereof having financial and functional independence;

⁴ See Article 2392 of the Civil Code "(Corporate responsibility). The directors must fulfil the duties imposed on them by Law or by the Articles with the diligence required by the nature of the task and by their specific competence. They shall be jointly liable vis-à-vis the Company for any losses deriving from the non-observance of such duties, except in the event of specific powers of the executive committee or specific duties attributed to one or more directors.

In any event, subject to the provisions of Article 2381(3), the directors shall be jointly liable if, aware of any prejudicial events, they fail to take any measures within their power to prevent the occurrence thereof or to mitigate the harmful consequences thereof.

Liability for the acts or omissions of directors shall not extend to any one of them who, not being at fault, records his dissent without delay in the register of meetings and resolutions of the Board, informing the Chairman of the Board of Statutory Auditors thereof immediately."

⁵ Except for the Head of Internal Audit, owing to his specific competence and the particular role held.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- (c) persons carrying out the management and control of the Company, even on a *de facto* basis, Company auditors and the auditing company and other persons indicated by law;
- Conflict of interests, even if only potential, with the Company or with subsidiary companies, jeopardizing the independence thereof;
- Direct or indirect entitlement to shares in entities such as to allow the exercise of considerable influence over the Company or its subsidiary companies;
- Duties of executive director held, during the three financial years prior to appointment as a member of the Supervisory Body, in enterprises subject to bankruptcy, compulsory administrative liquidation or equivalent procedures;
- Public employment relationship with central or local authorities during the three years prior to appointment as a member of the Supervisory Body;
- Conviction, even if not final, or application of a penalty on request (known as “plea bargaining”), in Italy or abroad, for violations relevant for the purposes of the administrative liability of bodies pursuant to Legislative Decree 231/2001;
- Conviction, again even if not final, or “plea bargaining” judgment on a penalty involving even temporary prohibition from public offices, or temporary prohibition from managerial offices of legal persons and enterprises.

If one of the aforesaid reasons for replacement or addition or ineligibility and/or forfeiture should arise for a member, the latter shall immediately inform the other members of the Supervisory Body thereof and shall automatically forfeit his office. The Supervisory Body shall inform the Board of Directors to draw up the replacement proposals.

Members having an employment contract with the Company shall automatically forfeit their office, in the event of termination of such contract and irrespective of the cause of interruption thereof.

The Board of Directors may revoke members of the Body at any time but only for just cause, following a Board resolution and after hearing the opinion of the Board of Statutory Auditors, and, on a reasoned basis, suspend the duties and/or powers of the Body and appoint an interim body or revoke the powers thereof.

The following shall constitute just cause for the revocation of members:

- Establishment of gross default on the part of the Supervisory Body in the performance of its tasks;
- Failure to inform the Board of Directors of a conflict of interests, even if only potential, preventing members from maintaining the role of member of the Body itself;
- Final judgment of conviction of the Company, or a plea bargaining judgment, if it results from a lack of or insufficient supervision by the Supervisory Body;
- Violation of the obligations of confidentiality with regard to news and information acquired in the performance of the specific duties of the Supervisory Body;
- Conviction, even if not final, or application of a penalty on request (known as “plea bargaining”), in Italy or abroad, for violations relevant for the purposes of the administrative liability of bodies pursuant to Legislative Decree 231/2001;
- Conviction, again even if not final, or “plea bargaining” judgment on a penalty involving even temporary prohibition from public offices, or temporary prohibition from managerial offices of legal persons and enterprises;
- For members holding an employment contract with the Company, the initiation of disciplinary proceedings for events that may give rise to the penalty of dismissal.

In the event of revocation without just cause, the member revoked shall be entitled to request reinstatement in office immediately.

Any member may withdraw from office at any time giving at least 30 days' notice, to be sent to the members of the Board of Directors by registered letter with acknowledgment of receipt. The Board of Directors shall appoint the new member during the first meeting of the Board itself, and in any event within 60 days of the date of cessation of the outgoing member.

The Supervisory Body has, in full independence, defined the rules for its specific functioning in the "Regulation of activities of the Supervisory Body", forwarded to the Board of Directors for acknowledgment.

4.5. Information flows to the Supervisory Body

Communications to the Supervisory Body must be sent to the email address odv@yoox.com, which is accessible only to members of the Body.

Within the business, all operating and management areas of the Company must send the following to the Supervisory Body:

- periodically, the information identified by the Supervisory Body and requested by it from individual organisational and managerial structures of the Company through internal directives. This information must be provided according to the stipulated times and procedures;
- within the Supervisory Body's audit activities, any information, data, news or document considered useful and/or necessary for the performance of such inspections, previously identified by the Body and formally requested;
- occasionally, all other information of any kind, including from third parties, relating to the enforcement of the Model in the areas of Risk Activities and compliance with the provisions of the Decree, as may be deemed useful for the fulfilment of the Supervisory Body's responsibilities.

In addition to the information and documentation required for the performance of its monitoring activities, the Supervisory Body must also be sent information on the enforcement of the Model and the commission of Crimes covered by the Decree in relation to the Company's activities, or of actions that are not consistent with the rules of conduct adopted by the Company.

Specifically, the Supervisory Body may receive information from members of the company and from third parties in relation to any violation or suspected violation of this Model and the procedures connected with it, actions not consistent with the Company's ethical standards, and any anomalies or irregularities encountered in the conduct of business activities.

The Supervisory Body shall assess the reports received and may, if it considers it advisable, call the reporter to obtain further information and the alleged perpetrator of the infringement, also carrying out all assessments and investigations necessary to establish the grounds of the report. Reports that have no substantial elements to support them, that are too vague or insufficiently detailed or with clearly defamatory or slanderous content shall not be taken into consideration.

The Supervisory Body ensures that persons who provide it with information are not subjected to any retaliation, discrimination or penalty, and that their identities are kept confidential, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused in error or with malicious intent.

Once the grounds of the report have been established, the Supervisory Body:

- For violations by employees, shall inform the Chief People Officer immediately in writing for an assessment and initiation of the resulting disciplinary measures;
- For violations of the Model and/or the Code of Ethics, considered well-founded, by the Company Directors, shall inform the Board of Directors and the Board of Statutory Auditors thereof immediately;

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

- For violations of the Model and/or the Code of Behaviour, considered well founded, by senior figures of the Company, shall inform the Board of Directors thereof immediately.

All the documentation and the reports collected by the Supervisory Body and received by them in the performance of its institutional tasks shall be kept by the Body in a suitable file opened at the Company offices, observing the legislative provisions on the handling of personal data.

4.5. The Supervisory Body reporting

The Supervisory Body reports:

- at least biannual to the Board of Directors and the Board of Statutory Auditors, through a report on its activities, their results and, in general, the functioning of the Model;
- occasionally and when necessary, to the Board of Directors and the Board of Statutory Auditors, including via their respective Chairmen, whenever it deems necessary or appropriate to ensure the correct performance of its role and duties, including in cases of suspected or definite violations of the Model by company management.

The Supervisory Body may be convened and/or request to be heard at any time by the Board of Directors (and its committees) or the Board of Statutory Auditors.

The Supervisory Body shall also participate as a permanent guest in the quarterly meetings of the Control and Risks Committee, with the reciprocal exchange of relevant information, according to the respective agendas.

The aforesaid activities shall be documented by means of minutes and kept with the Body's documents, observing the principle of confidentiality of the data and information contained therein, as well as the legislative provisions on the handling of personal data.

4.6. Employee training and information

In order to ensure the implementation and overall efficacy of this Model, YOOX NET-A-PORTER GROUP aims to ensure that existing and future employees have a proper understanding of its content, aims and principles, as well as of the rules set out herein, with different levels of detail depending on the Subjects' levels of involvement in Crime-Risk Areas and in Vulnerable Activities.

The information and training system, coordinated by the Human Resources Department, is supervised and supplemented by the activities of the Supervisory Body.

Apical Persons and Subordinate Persons are provided with training and information in all circumstances deemed necessary, both subjective - such as at the time of hiring and/or at the start of the working relationship - and objective - for example when significant changes are made to the Model or when legal circumstances change, as in the case of substantial additions to Legislative Decree 231/01.

Staff and Associates are required to participate in training and information initiatives, which form part of their contractual obligations.

Initial communication

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

The adoption of the Model and subsequent amendments are notified to all company staff and posted on the company's internal portal.

Newly hired staff are provided with an information pack intended to ensure that they are aware of the most important aspects. They are required to sign a specific form indicating that they have read and accepted its content, and must confirm that they have received the information pack and familiarised themselves with the Decree, the Model and the related documentation on the Intranet portal.

Periodic information and training

The Company provides various forms of information via different means, such as regular seminars on specific topics, occasional update e-mails, internal briefings, etc.

Training to raise awareness of the regulations set out in Legislative Decree 231/01 and the content of the Model and related documents (procedures, organisational system, powers, etc.) is compulsory and tailored according to need in terms of its content and mode of delivery, which may include e-learning systems, depending on the Subjects' roles and their level of involvement in Crime-Risk Areas/Vulnerable Activities.

4.7. Communication with consultants, associates, suppliers and other Subjects

External Persons and all other Subjects who work, for any reason, in Crime-Risk Areas/Vulnerable Activities on behalf or in the interests of the Company must be informed of the content of the Model. To this end, an extract of the Model is available for consultation on the Company's portal. The full version of the Model is also available from the Company.

Any specific or additional information for consultants, associates, suppliers and other Subjects is set out in suitable procedures delivered by hand.

External Persons (Consultants, Associates and Suppliers) and the other Subjects are also provided, where necessary, with information about the policies and procedures adopted by the Company on the basis of this Model and about the consequences of violations of its provisions, as well as the texts of the contractual clauses normally in this regard.

Contracts with third parties (such as associates, consultants, agents and suppliers) involved in the Sensitive Activities must:

- have all their terms and conditions set out in writing;
- contain, where possible, standard clauses agreed with the Company's legal representatives to ensure compliance with Legislative Decree 231/01;
- contain, where possible, a suitable declaration whereby these third parties confirm that they are aware of the provisions of Legislative Decree 231/01 and undertake to act in accordance with its requirements, avoiding any actions or conduct that could constitute crimes provided for by the Decree;
- contain, where possible, a suitable clause concerning the consequences of violation by these third parties of the provisions of Legislative Decree 231/01 (e.g. explicit termination causes, penalty clauses).

It being understood that all contracts entered into after the date on which the Company adopted the Model must, where possible, contain the "231 clause", for persons involved in at-risk activities under Legislative Decree 231 (as described above) who were already under contract to YOOX NET-A-PORTER GROUP, the Company has sent out a notice concerning the content of Legislative Decree 231/01, the adoption of the Model and the counterparties' obligation to comply with the legislation.

In all cases, and particularly when it proves impossible to include the aforementioned provisions in the contracts, third parties under contract must be sent a copy of the Code of Ethics, as well as the notices described above.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

5. DISCIPLINARY SYSTEM

According to Article 6(1)(e) of Legislative Decree 231/01, the Model must provide for an effective disciplinary system in order to exonerate the Company from liability.

The disciplinary system applies to all Subjects, whose violations of the standards and rules set out in this Model - including internal procedures and regulations, which are an integral part of the Model - constitute breaches of contract and may give rise to contractual liability for which disciplinary sanctions are provided, as well as - for external persons - contractual penalties.

The application of the disciplinary system described in this Model and the related penalties are separate from the conduct and outcome result of any criminal proceedings if the act in question constitutes a crime. This fact is made known as widely as possible among the Subjects, and a notice to this effect is posted within the business in a place accessible to all addressees, such as company website, intranet, notice board.

For the purposes of the application of the disciplinary system, relevant conduct, giving rise to the application of possible penalties, shall include any action or behaviour, or even omission, adopted in breach of the rules contained in this Model. In particular, relevant behaviour for the purposes of the adoption of disciplinary and contractual penalty measures against the Addressees of the Model is divided into:

- a) violations of procedures, regulations and written or verbal internal instructions;
- b) serious disciplinary violations and/or serious negligence at work while performing activities at risk of crime, to the extent that all trust in the director and/or employee is lost, e.g. actions that are clearly intended to result in the commission of a crime;
- c) actions that could lead to significant material or immaterial damage or prejudice to the Company and do not allow the contractual or fiduciary relationship to continue even temporarily because they constitute crimes or actions covered under point (b), above, committed with malicious intent.

Purely by way of general example, the following constitute “Violations” of this Model and the related Procedures:

- actions or practices that are illegal or against the provisions of the Model and related Procedures, resulting in a situation where there is a risk that one of the crimes covered by Legislative Decree 231/2001 could be committed;
- failure to perform actions or engage in practices required by the Model and related Procedures, resulting in a situation where there is a risk that one of the crimes covered by Legislative Decree 231/2001 could be committed.

5.1. Measures with regard to employees

Any violation of the rules set out in this Model by Employees (excluding Managers) constitutes a breach of obligations deriving from the employment relationship and a disciplinary offence. The regulations governing disciplinary action are set out in Article 2104 of the Civil Code on workers’ diligence and Article 2105 of the Civil Code on workers’ loyalty, as well as in Article 7 of Law 300 of May, 30 1970 with regard to the applicable procedural guarantees. The sanctions that may be imposed on Employees (non managers) are in addition to those already set out in the company’s disciplinary code and are adopted in accordance with the procedures established therein, pursuant to Article 7 of Law 300 of May 30, 1970 (the Workers’ Statute), and in Title V - Heading XXI “Staff duties and disciplinary regulations” of the National Labour Contract and any applicable special legislation.

With regard to the foregoing, the Model refers to the disciplinary system as governed by the conventional regulations mentioned in the National Labour Contract (see HEADING XXI - “Staff duties and disciplinary regulations”).

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

The categories adopted describe the sanctioned actions according to the significance of the individual cases concerned and the sanctions for the commission of these actions according to their severity.

If a worker fails to observe the provisions of the contract, this may give rise, in proportion to the severity of the infraction and depending on any repetition of the conduct by the employee, to the following sanctions:

- “written warning” for failure to observe the standards and rules of conduct set out in this Model, or for violating explicit and/or referenced internal procedures and regulations, or, furthermore, for acting - in sensitive areas - in a way that breaches or fails to meet the requirements of the Model and falls among the hypotheses set out in paragraph 6 letter a) above;
- “a fine” not exceeding 4 hours of normal pay in the case of repeated actions subject to written warnings, up to three times, or for failure to observe the standards and internal procedures set out in this Model, or for acting - in Risk Areas - in breach of the requirements of the Model and in a way that falls among the hypotheses set out in paragraph 6 letter a) above;
- “suspension of pay and from work” for a maximum of 10 days if actions as described in paragraph 6 letter a) are repeated up to three times, or in the case of failure to observe the standards and rules of conduct set out in this Model, or for acting - in Risk Areas - in a way that breaches the requirements of the Model and is clearly intended to result in the commission of a crime sanctioned under the Decree and falls among the hypotheses set out in paragraph 6 letters b) and c) above;
- “summary dismissal with other reasonable and legal consequences” if, while working in Risk Areas, the worker acts in blatant violation of the requirements of this Model, and in a way that results in the subjection of the Company to measures under the Decree and falls among the hypotheses set out in paragraph 6 letters b) and c) above.

The Supervisory Body shall send the Chief People Officer a report containing:

- Particulars of the person liable for the violation;
- A description of the conduct objected to;
- An indication of the provisions of the Model that have been violated;
- Any documents and items to support the objection.

The Human Resources Division responsible, or person holding disciplinary authority, shall assess the measures to be taken and shall inform the Supervisory Body of the internal inspections and the decisions taken.

5.2. Measures with regard to managers

If a manager violates the principles, rules and requirements set out in this Model or, while working in Risk Areas/Vulnerable Activities, acts in breach of the requirements of this Model, then the appropriate measures will be taken against him/her.

Taking account of the severity of the violation(s), any repetition of the same and the fiduciary nature of the relationship, in the event of violations of the provisions of the Model, the Manager will be subject to sanctions from the annulment of the power of attorney, up to and including termination of the relationship, according to the applicable regulation.

This is without prejudice to the right to claim compensation for any damage caused to the company by the Manager.

The procedure for assessing the offence with regard to members shall be governed by the legislative provisions in force and by the collective contracts applicable. In particular, the Supervisory Body shall send the Chairman of the Board of Statutory Auditors, the CEO and the Chief People Officer a report containing:

- A description of the conduct objected to;
- An indication of the provisions of the Model that have been violated;
- Particulars of the person liable for the violation;
- Any documents proving the violation and/or other items examined.

The Human Resources Division responsible, or any other person holding disciplinary authority, shall assess the measures to be taken and shall inform the Board of Directors and the Supervisory Body of the internal inspections and the decisions taken.

5.3. Measures with regard to Directors

In the event of violation of provisions relating to the Model by Company Directors, the Supervisory Body - once it becomes aware of the violation - will immediately inform the entire Board of Directors and the Board of Statutory Auditors, which will take the necessary actions and measures.

In the event of serious and unjustified violations and/or violations not approved by the Board of Directors, the action may be considered just cause for the dismissal of the Director. Serious and unjustified violations include the commission of crimes.

Having assessed the seriousness of the individual violations, the Company may also apply sanctions including written warnings or other sanctions allowed under Italian labour law.

In the event that charges are brought against one or more Directors under suspicion of having committed a crime resulting in the administrative liability of the Company, the Chairman of the Board of Directors will convene the Shareholders' Meeting to decide on the termination of their appointments.

In the event of established violation of the provisions of the Model by the whole Board of Directors, the Supervisory Body shall immediately inform the Board of Statutory Auditors for it to take the resulting initiatives.

5.4. Measures with regard to Statutory Auditors

In the event of a violation of the Model by one or more statutory auditors, the Supervisory Body will inform the entire Board of Statutory Auditors and the Board of Directors, which will propose the necessary measures to the Shareholders' Meeting.

5.5 Measures with regard of the Senior Managers

Non-observance by senior figures of the Company of the provisions of the Model, including violation of the obligations to provide information to the Supervisory Body, shall give rise to termination of the relevant contract, in accordance with the provisions of the specific contractual relationship, subject to the Company's right to request compensation for any losses sustained as a result of such behaviour, including losses caused by the application of the penalty measures provided for by Legislative Decree 231/2001.

5.6 Measures with regard to consultants and associates, suppliers and partners

If consultants, associates, supplier or partner violate the rules of the Model adopted by YOOX NET-A-PORTER GROUP to which they are subject, or commit any of the crimes set out in Legislative Decree 231/01, they will be sanctioned in accordance with the specific provisions of their contracts, which must be expressly accepted and may take the form of penalties, suspension from their role and/or office, loss of the right to bonuses, etc.

This has no effect on the right to demand compensation if their actions cause damage to the company including immaterial damage (for example if the judge imposes the measures provided for by Legislative Decree 231/01)

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

SPECIAL PART

1. PRELIMINARY STATEMENT

This Special Part refers to the activities which the Addressees, as already defined in the General Part (and in particular the members of the Corporate Bodies and the Employees, through Collaborators, Advisors, Suppliers or, more generally, all those who, for any reason, operate within the scope of Sensitive Activities on behalf of or in the interests of the Company), must carry out to ensure the adoption of rules of behaviour and control activities aimed at prevention of the crimes contemplated by Legislative Decree 231/01.

More specifically, this Special Part aims to:

- Indicate the principles of behaviour and the rules/Protocols which the Addressees are called upon to observe for the purposes of the correct application of the Model;
- Expressly indicate the behaviour that Addressees are prohibited from adopting, that could constitute cases of crime considered by the Decree;
- Provide the Supervisory Body, and the managers of the Company divisions cooperating therewith, with the operating means to carry out the necessary control, monitoring and inspection activities.

In carrying out their respective activities, the Addressees are required to observe:

- The Italian or foreign legislative or regulatory provisions applicable to the Company;
- The provisions of the Articles of Association;
- The Code of Ethics;
- Other resolutions passed by the Governing Body;
- The rules of behaviour and control and the principles of implementation of the decision-making processes defined in any Special Part of this Model;
- The service provisions issued by the competent organisational units and by the line managers, with regard to the assignment of roles, tasks and responsibilities as well;
- The system of assigning and exercising powers;
- The internal rules, guidelines and organisational procedures formalized by the Company with regard to the various areas of activity, with particular reference to the areas at risk of crime.

In view of the major organisational changes following the merger transaction, as illustrated in paragraph 3.1. “Corporate business”, the risks and controls system deriving from the bodies forming YNAP (i.e. YOOX GROUP and THE NET-A-PORTER GROUP) shall be subject to constant harmonization in order to implement an integrated compliance model, which is taken into account in this Special Part.

YOOX NET-A-PORTER GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001

2. STRUCTURE OF THE SPECIAL PART OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF YOOX NET-A-PORTER GROUP PURSUANT TO LEGISLATIVE DECREE 231/2001

The Special Part of this Organisation, Management and Control Model is subdivided into the following 14 sections relating to the categories of crime pursuant to Legislative Decree 231/2001 considered relevant to YOOX NET-A-PORTER GROUP based on the analysis specifically conducted by the Company in this respect:

- A. Crimes of corruption and other crimes against the Public Administration
- B. Corporate crimes
- C. Market abuse
- D. Manslaughter or serious or very serious injury committed with violation of the rules on the protection of health and safety at work
- E. Offences against the individual
- F. Receipt of stolen property, money laundering and the use of money, property or profits of unlawful origin, and also self-laundering
- G. Cyber crime and crimes involving the handling of data
- H. Organized crime
- I. Crimes against industry and trade
- J. Copyright infringement
- K. Inducement not to make declarations or to make false declarations to the Judicial Authority
- L. Environmental crimes
- M. Employment of illegal immigrants
- N. Counterfeiting of currency, legal tender, stamps and distinctive signs

In particular, every Special Part shall indicate:

- Those crimes considered relevant to YNAP in the abstract, owing to the nature and characteristics of the activities carried out;
- The activities and the relevant sensitive processes, potentially affected by perpetration of the crimes identified as “relevant” to the Company;
- The principles of behaviour to be adopted to prevent perpetration of the crimes described;
- The principles of implementation of the decision-making processes to be adopted to prevent perpetration of the crimes described.

It is recalled, in any event, that, besides observance of these rules and principles, Addressees are required to observe the specific controls documented in the reference business guidelines and procedures.