

**ORGANIZATION, MANAGEMENT AND
CONTROL MODEL *AS PER* LEGISLATIVE
DECREE 231/2001
of
ANGELINI BEAUTY S.p.A.**

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INTRODUCTION

In addition to being a way of exempting Angelini Beauty S.p.A. (called “**Angelini Beauty**” or “**Company**”) from its responsibility for some types of crimes, the adoption of an Organization, Management and Control Model in accordance with Legislative Decree 231/2001, as well as its effective and constant implementation, within the widest corporate policy and ethical culture common to the whole Angelini Group, is an act of social responsibility bringing benefits to all the stakeholders: shareholders, users, employees, creditors and all the other parties whose interests depend on the Company's future.

The introduction of a control system on the entrepreneurial actions, as well as setting and disseminating ethical principles, by improving the already high behavioral standards adopted by the Company, increase Angelini Beauty trust and reputation in the eyes of third parties and, most importantly, they function as rules as they regulate the behavior and decisions of those who are daily called to act in favor of the Company in compliance with the above mentioned ethical principles.

The Legislative Decree no. 231 dated 8th June 2001 introduced the discipline of the corporate administrative liability. According to Legislative Decree 231/2001 the organization may be deemed liable, and therefore punished, only for the offenses expressly referred to in the decree (article 24, 24-bis, 24-ter, 25, 25-bis, 25-bis1, 25-ter, 25-quater, 25-quater1, 25-quinquies, 25-sexies, 25-septies, 25-octies, 25-nonies, 25-decies, 25-undecies, 25-duodecies e 25-terdecies of Legislative Decree 231/2001) committed, in its own interest or to its own advantage, by subjects linked to the corporate organization.

The administrative liability of the Company shall be autonomous with respect to the criminal liability of the individual who committed the offense and adds to the latter.

In order to be exempted from such a responsibility, companies can adopt appropriate organization, management and control models to prevent crimes.

In fact, in case of offense committed by someone in a senior position, the company shall not be liable if it proves that:

- a) prior to committing the fact, the managing body has adopted and effectively implemented proper organization and management models to prevent offenses of the type of that occurred;
- b) the task of monitoring the functioning and the compliance with the models, as well as taking care of updating them, has been entrusted to a body (referred to as Supervising Body or hereinafter also OdV) of the organization having autonomous rights of initiative and control;
- c) people committed the offense by fraudulently eluding organization and management models;
- d) there has not been omitted or insufficient surveillance by the Supervising Body.

In case of subjects which are subject to other people's monitoring, the company shall not be liable if:

- a) failing to comply with control and surveillance obligations has not contributed to commit the offense;
- b) prior to committing the fact, the managing body has adopted and effectively implemented a proper Organization and management model to prevent offenses of the type of that occurred.

According to the Legislative Decree 231/2001, the Organization and Management model must:

- identify all the activities within which offenses may be committed;
- contain specific protocols aimed at scheduling the company's decisions making and implementation according to the offenses to prevent;
- identify methods for managing the financial resources appropriate to prevent crimes from being committed;
- provide for the obligation to inform the body in charge of monitoring the functioning and the compliance with the models;
- introduce an appropriate disciplinary system through which failure to comply with the rules provided for in the Model can be sanctioned.

The company's relief from any responsibilities depends on the effective implementation of the Model; this means that it must be adjustable, so that it is always updated to the reference company situation.

To this purpose, the following must be provided for:

periodical check and change, if the case, of the Model when provisions are severely violated or when the organization and the activities change;

an appropriate disciplinary system through which failure to comply with the rules provided for in the Model can be sanctioned.

..*

Angelini Beauty is part of the so-called Angelini Group.

Industrial, commercial and administrative advisory services and activities, such as:

- technical and financial coordination of the companies of the Angelini Group, even through centralized cash management;
- provision of collateral securities and guarantees to third parties and granting of loans, including mortgages;

- data processing services, microfilms, administrative and IT service management, business advisory, especially in the technical, legal, industrial and commercial field, are provided to companies by Finaf S.p.A. - Angelini Group's Holding Company - through service supply contracts (the so-called service contracts).

In the context described above, by means of service contracts, Finaf S.p.A. provides Angelini Beauty, subsidiary, with services including, but not limited to, legal, tax and statutory administration, direction, staff management and administration and brand management services.

For this reason, in order to identify the sensitive areas and preventive provisions to be implemented through the adoption of its Model, Angelini Beauty takes the following into account:

- the general principles under the Code of Ethics adopted by Finaf S.p.A.;
- the Organization model of Finaf S.p.A.;
- the scope and conditions under the service contracts.

Furthermore, Angelini Beauty has deemed it appropriate to arrange its Organization, Management and Control Model, in accordance with Confindustria's Guidelines, of course fitting them to its needs and characteristics, as the implementation of the model was seen as an opportunity to grow and to improve the company's governance system, not only in terms of crime prevention.

CHAPTER 1

CREATION OF THE GOVERNANCE MODEL WITHIN THE COMPANY'S ORGANIZATIONAL STRUCTURE

1.1 Method used to arrange the Organization, management, and control model

The company started a series of activities aimed at drafting its own Model as per the requirements set out in Legislative Decree 231/2001, and consistent with the principles entrenched in its company governing culture.

To this purpose, as instructed by article 6 paragraph 2, letter a) of Legislative Decree 231/2001, the company identifies within which processes and activities the crimes expressly referred to in said decree may be committed.

In other words, it is about the commonly called "sensitive" corporate activities and processes (hereinafter "sensitive activities" and "sensitive processes").

The corporate fields the intervention refers to were established, the sensitive processes and activities were identified and analyzed by comparing the existing Organization and control model with a reference Theoretical model.

With regard to those crimes involving administrative responsibility as per Legislative Decree 231/01, the company evaluated, in a most conservative way, that the risk related to counterfeiting currency or revenue stamps, crimes against the individual, female genital mutilation practices, racist and xenophobic crime as well as organized crime offenses, market abuse crimes, incitement to not testify or to bear false testimony before the Judicial Authority, is just theoretical and is not possible. However, as for the offenses under articles 24-ter, 25-sexies, 25-decies, as well as for the crime of illicit brokering and exploitation of labor under art. 603-Bisbis of the criminal code, referred to in art. 25-quinquies of the decree, we decided to refer to the analysis of sensitive activities, and to establish general behavior rules in line with those in similar cases.

The detailed analysis of the reference corporate context and of the corporate and organizational structure of Angelini Beauty was preparatory to the identification of sensitive activities and was carried out in order to better understand the company fields being analyzed.

By analyzing the organization, the operational Model and the powers of attorney/delegations of authority conferred by the Company, as well as the contracts with Finaf S.p.A., it was possible to identify the sensitive processes/activities and to have a preliminary picture of the functions responsible for such processes/activities.

As a further task, the people responsible for the sensitive processes/activities were identified, that means those resources having an extensive knowledge of the sensitive processes/activities and their control mechanisms, as well as the other functions and subjects involved in activities partly performed through services by Finaf S.p.A staff and partly directly performed by Angelini Beauty staff.

This crucial information was gathered by analyzing the company's documents as well as by interviewing the key subjects, namely the most highly ranked people in the organization, also working in Finaf S.p.A, able to provide detailed information on each company process and on the activities of the single functions, with a preliminary investigation when the related laws and regulations came into force.

Considering the service contracts between Finaf S.p.A and Angelini Beauty, the outcome of the mapping performed in Finaf S.p.A on sensitive activities and corporate functions concerned by the service contracts was taken into account; also, the points raised, and the results of training actions and interventions developed for Finaf S.p.A activities were gathered.

The following reference principles were followed while detecting the existing control system:

- the possibility to later track and verify the transactions through appropriate supporting documents/information;
- assignment splitting;
- existence of formalized powers of attorney consistent with the organizational responsibilities assigned.

Through said observations, it was possible to identify the areas of improvement of the existing internal control system and, based on what has emerged, implementation plans aimed at detecting the organizational criteria which characterize the necessary implementation and update of the Organization, Management and Control Model shall follow, in compliance with the Decree provisions and the related actions to improve the internal control system.

In order to implement this Model, the documents which were already prepared by Finaf S.p.A. about the following were also considered:

- final mapping of the sensitive activities and the indication of the organization structures in charge;
- analysis of the sensitive processes and the control system, highlighting the following:
 - basic processes/activities carried out;
 - internal/external functions/subjects involved;
 - their roles/responsibilities;
 - the main Public Administration entities concerned;
 - existing system of controls.

In order to steadily strengthen the existing protection measures, the arranged procedures have also been integrated with actions. For example, a Code of Ethics has been adopted which will be a crucial reference element of the Model.

The acquisition and analysis above, as well as the periodic monitoring activity for implementation purposes, shall be followed by an action for identifying the actions to improve the current internal control system (processes and procedures) and the necessary organizational requirements to set a specific Organization, management and check model in compliance with the regulations.

The outcomes from the previous steps and the decisions made by the decision-making entities of the Company made it possible to conceive a Model which represents a coherent set of principles, rules and provisions which:

- affect the Company's internal functioning and the methods through which it relates to the outside world;

- regulate the diligent management of a control system on sensitive activities, aimed at preventing crimes referred to in Legislative Decree 231/2001 from being committed or attempted to be committed;

The Model is an organic set of control rules and activities aimed at:

- ensuring transparent and fair conditions of corporate activities in order to protect the reputation and image of Angelini Beauty, the shareholders' interests and the work of its employees;
- preventing crimes that may be committed by senior managers as well as by their subordinates, and relieving the organization from any responsibilities should one of the offenses referred to in Legislative Decree 231/01 be committed.

In fact, it was established that in case of offense committed by someone in a senior position, the company shall not be liable if it proves that:

- a) prior to committing the fact, the managing body has adopted and effectively implemented proper organization and management models to prevent offenses of the type of that occurred;
- b) the task of monitoring the functioning and the compliance with the models, as well as taking care of updating them, has been entrusted to a body of the organization having autonomous rights of initiative and control;
- c) people committed the offense by fraudulently eluding organization and management models;
- d) there has not been omitted or insufficient surveillance by the Supervising Body.

In case of subjects which are subject to other people's monitoring, the company shall not be liable if:

- a) failing to comply with control and surveillance obligations has not contributed to commit the offense;
- b) prior to committing the fact, the managing body has adopted and effectively implemented proper organization and management models to prevent offenses of the type of that occurred.

According to the Legislative Decree 231/2001, the organization and management model must:

- identify all the activities within which offenses may be committed;
- contain specific protocols aimed at scheduling the company's decisions making and implementation according to the offenses to prevent;

- identify methods for managing the financial resources appropriate to prevent crimes from being committed;
- provide for the obligation to inform the body in charge of monitoring the functioning and the compliance with the models;
- introduce an appropriate disciplinary system through which failure to comply with the rules provided for in the model can be sanctioned.

The company's relief from any responsibilities depends on the effective implementation of the Model; this means that it must be adjustable, so that it is always updated to the reference company situation.

To this purpose, the following must be provided for:

- periodical check and change, if the case, of the Model when provisions are severely violated or when the organization and the activities change;
- an appropriate disciplinary system through which failure to comply with the rules provided for in the Model can be sanctioned.

The compliance of the corporate business management with the behavior rules specifically described in this Model is ensured by the company's organizational structure through powers of attorney, delegations of authority, individual powers (job descriptions) and operational instructions. Consequently, the rules in this Model shall constitute in any case the mandatory procedures with which all the people concerned by the Model shall comply in all operative situations, even when it is necessary to concretely integrate the existing functions and competences.

1.2 Reference corporate context

Angelini Beauty is a company of the Angelini Group 100% controlled by its Holding Finaf S.p.A., which creates, develops and distributes, in Italy and abroad, lines of fragrances and cosmetics licensed for “Made in Italy” fashion and luxury brands. It operates, with its branches, in strategic important markets such as Italy, Germany, Spain, Portugal and Austria. Its fragrances are widespread in about 85 countries among Europe, Middle East, Far East and Asia, United States and Latin America through a solid network of international sale.

The integration and consolidation of companies operating in the field and belonging to the Angelini Group allowed to build an exclusive and prestigious product portfolio, ensuring a strong development of the international business, always in line with the identity and the uniqueness of each brand.

Angelini Beauty manages the creation of new products and their image and communication, through dedicated marketing structures for every single brand.

In the countries where it operates, the distribution is made through selected and exclusive sale networks, while abroad it is controlled by a consolidated and widespread distribution network.

It can also perform all the commercial and real property operations deemed necessary or useful by the Board of Directors to accomplish the corporate purpose: for the same purpose, it can also grant, even on behalf of third parties, endorsements, sureties and any other guarantee, even collateral.

The Company shall be managed by a Sole Administrator or a Board of Directors composed of an odd number of officers, from a minimum of 3 (three) to a maximum number of 7 (seven).

The meeting deliberates about the composition of the Board of Directors and appoints the members of the Board of Directors according to the criteria of this Statute.

The Board of Directors participates in all decision-making processes and establishes the hierarchical relationships, the methods for assigning tasks, the measures to be adopted, the control principles and the subjects which the responsibility shall be given to in case of failing to or wrong compliance with the processes themselves.

Angelini Beauty's organizational structure is composed of central functions which, if existing, shall functionally report to their counterpart Functions at Finaf. It is composed of the following organizational units:

- Staff and Organization;
- Administration and Finance;

- Operations / Supplies / Logistics (purchase/sales);

(hereinafter “**Functions**”)

Angelini Beauty makes use of Finaf S.p.A. control services because, according to the above-mentioned service contracts stipulated with it, most of the functions, including but not limited to the operating systems, the external relationships, the management and finance functions, the human resources and legal functions, are performed as a service by Finaf S.p.A. The areas managed internally are, for example, the product and sales strategy area and the product production area.

These functions are always directly managed by Angelini Beauty managers, except for the limits deriving from the outsourcing of services to Finaf S.p.A. or to third parties.

In order for the internal organization system to be compliant to the goals referred to in Legislative Decree 231/2001, Angelini Beauty has set the following specific protocols, so as to plan the making and the implementation of the decisions about the offenses to be prevented:

- an integrated system of procedures;
- the arrangement of a Code of Ethics;
- the creation of specific communication and training flows intended for all the Recipients this Model is for;
- the constitution of a Supervising Body;
- the preparation of a disciplinary system and the related sanction mechanisms.

Furthermore, the existing control systems protecting the business activities have proved to be inefficient, as well as their implementation or updating.

CHAPTER 2

ORGANIZATION, MANAGEMENT AND CONTROL SYSTEM REFERENCE PRINCIPLES

2.1 Organization, management and control model

Said Organization, Management and Control Model (hereinafter Model), drafted pursuant to and for the purposes of Legislative Decree no. 231/2001, aims at configuring a structured and organic system of *ex ante* and *ex post* procedures and control tasks, in order to prevent and reduce the risk of committing the crimes provided for in Legislative Decree no. 231/2001. It shall be included in a wider control system made up of the existing internal control system and the Finaf S.p.A. internal system for the activities provided to it in service.

The identification of the activities exposed to the risk of offense and the provision of an effective system of control procedures shall:

- make all the people working in the name and on behalf of the Company fully aware of the risk of sanctions that the Company would have to face in case an offense was committed;
- let the Company promptly adopt the most appropriate measures and precautions in order to prevent or keep offenses from being committed.

Therefore, one of the purposes of the Model is to embed into the Employees, the Corporate Bodies, the Consultants and the Commercial Partners working on behalf or in the interest of the Company within the sensitive activities, the compliance with roles, operational methods, protocols and, in other words, the organization model adopted, as well as the awareness of the social value which such a Model in preventing offenses.

As a consequence, the effective implementation of the Model shall be guaranteed through the constant monitoring by the Supervising Body and the disciplinary and contractual sanctions which make the main intention in actually censoring any illegal behavior indisputable.

The drafting of this document took into account the existing procedures and control systems that were considered appropriate offense prevention and control measures as regards cases of sensitive activities.

In particular, the Company has identified the following existing instruments aimed at scheduling the making and the implementation of the Company's decisions as regards the offenses to be prevented:

- 1) the internal control system, therefore the business procedures, the documents and the provisions about the corporate and organization hierarchical and functional structure and the management control system;
- 2) in general, the Italian and foreign legislation, if applicable.

The principles, rules and procedures referred to in the instruments above are not reported in detail in this document, rather they make part of a more general organization and control system which Angelini Beauty wants to integrate.

The core principles the Model is inspired by, in addition to the above, are the following:

⇒ Confindustria's guidelines;

⇒ the requirements provided for in Legislative Decree no. 231/2001, in particular:

- entrusting a Supervising Body inside the Company with the task of promoting the effective and proper implementation of the Model, also by monitoring the business behaviors and the right to be constantly informed on the activities relevant to the purposes of Legislative Decree no. 231/2001;
- verification activities on the functioning of the Model and the consequent periodical update (*ex post* check);
- raising awareness on and disseminating the behavior rules and the procedures set in the Code of Ethics at all corporate levels;

⇒ general principles of an appropriate internal control system, in particular:

- the possibility to verify and document any operation relevant to the purposes of Legislative Decree no. 231/2001;
- the respect for the functional separation principle, according to which nobody can manage a whole process autonomously;
- definition of authorization powers in accordance with the responsibilities assigned;

⇒ finally, when implementing the control system, although the general corporate activity must be checked, priority must be given to those activities identified as sensitive.

The recipients of the Model (hereinafter “**Recipients**”) are all those who work to achieve the Company's purpose and goals.

The Recipients of the Model include the members of the corporate bodies, the subjects involved in the Supervising Body functions, the employees, external consultants and commercial partners such as distributors or suppliers.

Angelini Beauty, while preparing this model has established specific measures related to the characteristics of its business organization structure and nature.

In order to build the Model, Angelini Beauty has followed successive steps:

- 1) Identification of sensitive activities and behavior rules (Section 3)
- 2) Appointment of a Supervising Body (Section 4)
- 3) Arrangement of a Sanction System (Section 5)
- 4) Approval of the Organization model and the Code of Ethics by the Board of Directors

CHAPTER 3

SENSITIVE AND RISK ACTIVITIES AND BEHAVIOR RULES

3.1 Determination of sensitive and risk activities and analysis of potential risks

Angelini Beauty activity and its business processes are analyzed by cross functional *teams* made up of internal and external resources, making it possible to identify the activities within which the types of offenses referred to in the articles below of the Legislative Decree no. 231/2001 may occur:

- 24 - *undue receipt of funds, fraud against the State or a Public authority or in order to attain public funds and computer fraud against the State or a Public authority*
- 24 bis *computer crimes and illegal data processing*
- 24 ter *organized crime offenses*
- 25 *bribery, corruption, undue induction to give or promise benefits*
- 25 bis *counterfeiting currency, legal tender, duty stamps, distinctive signs*
- 25 bis 1 *crimes against industry and commerce*
- 25 ter *corporate offenses*
- 25 quater *crimes with terrorist purposes or designed to overthrow the democratic order*
- 25 quater 1 *female genital mutilation practices*
- 25 quinquies *crimes against the individual*
- 25 sexies *market abuse*
- 25 septies *manslaughter or assault causing severe, or very severe, injury, committed in breach of the provisions on the protection of occupational health and safety*
- 25 octies *fencing, money laundering and use of funds, goods and services of illegal origin and self-laundering*
- 25 nonies *copyright violation crimes*
- 25 decies *incitement to not testify or to bear false testimony before the judicial authority*
- 25 undecies *environmental crimes*
- 25 duodecies *employment of illegally staying third-country nationals*
- 25 terdecies *racism and xenophobia*

The summarizing chart of predicate offenses of the body's administrative liability are attached to this Model.

According to the analysis carried out, the magnitude of risk related to some predicate offenses has been excluded or considered not important and the legal assets under protection do not directly affect the purpose of the business organization and activities, the corporate purpose and the actual corporate activities. Hence, for the purposes of this Model, it was deemed appropriate to evaluate them as regards the indirect protection of legal assets and the prevention of forbidden practices by imposing the compliance with the Company's Code of Ethics values and principles, as well as the set of system of procedures organized for the other predicate offenses.

In particular, we are talking about the following offenses:

- female genital mutilation crimes as per article 25 *quater*1;
- crimes against the individual as per article 25 *quinquies* except for crimes of illicit brokering and exploitation of labor as per art. 603-bis Criminal Code;
- offenses of abuse of insider trading and market manipulation (so-called Market abuse) as per article 25 *sexies*;
- incitement to not testify or to bear false testimony before the judicial authority as per article 25 *decies*;
 - racism and xenophobia as per art. 25 *terdecies*;
 - false corporate communications by listed companies as per art. 25 *ter*

whose related administrative offense and description of criminally-relevant practice are reported in the “chart of predicate offenses” for the purposes of completion of information to the Recipients of this Model.

Updating the evaluation about the lack or non-importance of the magnitude is Supervising Body’s responsibility through its periodical check. It will be performed based on the notification by the business functions involved of the change of the activities and areas.

For each predicate offense, the sensitive activities within the business organization and the respective general and specific behavior rules are detailed below.

While identifying the sensitive activities, as well as during the evaluation of their magnitude of risk, it was also taken into account that, especially as regards the predicate offenses characterized by the subjectivity of the fault, also those practices are incompatible with the corporate purposes and the founding values and principles of the Code of Ethics. Hence, although any hypothetical interest by the Company in committing said offenses can be excluded too, as well as the existence of any advantage as the goal arising from the practice or the event resulting in a criminal charge can be excluded, appropriate behavior rules have been identified, also with reference to the specific risk management systems implemented for the performance of the activity.

For the same reasons, it was decided to regulate them within the behavioral provisions set out in this Model in order to make the related sanction system implemented.

3.2. Sensitive activities connected to crimes against the Public Administration

Public Administration means any authority or entity fulfilling public functions, in everybody's interest. As an example, Public Administration entities can be the following:

- bodies or administrations of the State having autonomous organization (such as Ministries, Antitrust Authority, Bank of Italy, Consob, Personal Information Protection Authority, Revenue Agency, Italian Medicines Agency, etc.);
- local authorities (Regions, Provinces, etc.);
- municipally owned companies;
- Chambers of Commerce, Industry, Craftsmanship and Agriculture, and their associations;
- all national, regional and local non-economic public authorities (e. g. National Social Security Institute, National Research Council, Workers Compensation Authority, Social Insurance Institute for Employees in the Public Administration, National Assistance Board for Commercial Agents and Representatives);
- Local Health Units;
- Civil Law legal entities exercising public services (ENEL, telecommunication companies, etc.).

Among the entities acting within and in connection with the Public Administration, in order to integrate the cases of predicate offenses as per Legislative Decree no. 231/2001, the figures of "Public Officials" and "Persons responsible for a public service", regulated by articles 357 paragraph I of the Criminal Code and 358 of the Criminal Code respectively.

"Public Officials" are those who exercise a "public" legislative, judicial or administrative function, meaning the administrative function regulated by rules of public law or authority deeds, characterized by the creation and the expression of the Public Administration's intent or by the fact that it is fulfilled through authority or certification powers.

"Entities responsible for a public service" are those who, for whatever purpose, provide a public service, meaning an activity regulated in the same forms as the public function, but which is characterized by the lack of powers which are typical of the latter, except for the performance of simple ordered tasks or the provision of merely material services.

The types of sensitive activities related to offenses against the Public Administration are listed below.

1. Managing relationships with the Public Administration in order to obtain administrative measures (such as authorizations, licenses, concessions, permissions) as well as to carry out fulfillments before it (communications, statements, submission of deeds and documents, etc.).

2. Managing relationships with the Public Administration, including in case of environmental verifications and inspections.
3. Managing the attainment and/or handling contributions, grants, funds, insurances or guarantees given by public entities.
4. Preparing and sending income statements or withholding agents, or other statements necessary to pay taxes in general, to the competent authorities and managing relationships with the Public Administration in case of verifications and inspections.
5. Negotiating with the Public Administration.
6. Managing relationships with public entities as regards safety and hygiene at the workplace (Legislative Decree 81/08 and amendments and integrations thereof and other related laws) and the compliance with the precautions provided for by laws and regulations for hiring employees for special tasks.
7. Managing social security treatment for staff (social contribution statements and payments and communications to the competent authorities: National Social Security Institute, Workers Compensation Authority, Labor Inspectorate, etc., related to the employment relationship) and managing relationships with the Public Administration in case of the relevant verifications and inspections.
8. Managing in-court and out-of-court disputes.

Additionally, the following areas to be considered "instrumental" to the ones described above have been also identified, because, although no direct relationships with the Public Administrations are involved, they can act as a support and premise (both financial and operational) to the perpetration of the offenses mentioned above:

- a) Staff selection and management;
- b) Supply of goods, services and advisory;
- c) Financial resources management;
- d) Travel and entertainment expenses, gifts, gratuities, advertisement and sponsorships;
- e) Management of services with reference to the activities under 1 – 8 in favor of third parties.

3.2.1 General behavior and organizational rules for preventing offenses when dealing with Public Administration

All the types of sensitive activities related to offenses against Public Administration, especially those referred to in articles 24 and 25 of Legislative Decree 231/2001, must be carried out in compliance with the laws in force, the Ethical Code, the values and policies of the Company and the rules set out in this Model.

Generally, the organization system of Angelini Beauty must comply with the fundamental requirements of formalization and clearness, communication and separation of roles, especially for what concerns the assignment of responsibility, representation, definition of the management hierarchy and of the operational activities.

The Company must have organizational instruments (organizational charts, organizational communications, procedures, etc.) inspired to general principles of:

- a) clear description of reporting lines;
- b) openness, transparency and accessibility of the powers granted (within the Company and towards the third parties concerned);
- c) clear and formal delimitation of roles, with complete description of each function, its powers and responsibilities.

Internal procedures must be characterized by the following:

- (i) within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called "function splitting") must be separated;
- (ii) written trace of each relevant step of the process (so-called "traceability");
- (iii) appropriate level of formalization.

In particular:

- the company's organizational chart, the areas of interest and responsibilities of the business functions must be clearly specified and, specifically, through dedicated instructions, made available to all the employees;
- specific policies and operational procedures must be defined, in order to regulate, among other things, processes for selecting and qualifying the main company suppliers, processes to entrust assignments according to specific evaluation criteria, processes regarding commercial activities towards public customers, the management of institutional or random relationships with Public Administration entities, managing gratuities;

- the selection of suppliers in the broad sense, must be separated into stages and distributed between several functions, and the same must apply to the use of goods and services, the check for compliance with the (active and passive) contractual conditions at the time of preparing/receiving invoices, the management of entertainment expenses, gifts, gratuities and the other offense risk activities;
- clarity and precision must be applied to determining the roles and duties of the internal managers of each area at risk, on whom powers of directing, driving and coordinating the subordinate functions are to be conferred.

In performing all the operations pertaining to the management of the Company, it is essential also to comply with the rules relating to the administrative, accounting and financial system and management control of Angelini Beauty and Finaf S.p.A., considering the above-mentioned service contracts with it.

The system of delegations of authority and powers of attorney must be characterized by elements of “certainty” in order to prevent offenses and must allow an effective management of the corporate activity.

“Delegation of authority” is represented by the internal act of conferral of functions and duties, reflected in the system of organizational communications. “Power of attorney” shall mean the unilateral legal document with which the Company confers upon an individual the power to act in representation of the company itself.

The requisites of the system for the assignation of delegations of authority and powers of attorney, are as follows:

- a) all the people who maintain relationships with the domestic or foreign Public Administration on behalf of the Company, must be conferred with an appropriate formal delegation of authority and, if needed, with a power of attorney as well;
- b) for each power of attorney including the power to represent the Company toward third parties an internal delegation of authority which describes the related management power must exist;
- c) delegations of authority must match each power with its responsibility and with an appropriate position in the organizational chart, and must be expressly accepted with firm date;
- d) each delegation of authority must specify and clearly describe the following:
 - duties of the delegated party, specifying its scope;
 - the entity (body or individual) to whom the delegated party reports;
- e) the delegated party must be given spending powers appropriate to the functions conferred;

- f) the power of attorney must clearly specify the cases when the powers conferred decay (revocation, transfer to different duties which are incompatible with those which the power of attorney was given for, firing, etc.);
- g) the system of delegations of authority and powers of attorney must be promptly updated.

The Supervising Body checks periodically, helped by the other competent functions, the system of delegations of authority and powers of attorney in force as well as their consistency with the whole organizational communication system. It recommends any changes if the management power and/or the role does not correspond to the representation powers conferred upon the delegated party or if there are any other anomalies.

The system of delegations of authority and powers of attorney makes up the supervising protocol to be applied to all the sensitive activities.

The Corporate Bodies and the Managers of Angelini Beauty - directly, as well as the employees, the commercial Consultants and Partners - just for what concerns the obligations set out in the specific procedures and behavioral codes and in the specific clauses set out in the contracts implementing the following principles respectively – must comply with the following general principles:

- strict compliance with all the laws and regulations that regulate the corporate activity, with special reference to activities involving contacts and relationships with the Public Administration;
- establishment and maintenance of any relationship with the Public Administration based on criteria of maximum fairness and transparency;
- establishment and maintenance of any relationship with third parties in all the activities regarding the performance of public functions or public services based on criteria of fairness and transparency which guarantee the good fulfillment of the function or service, as well as the impartiality in carrying them out.

Consequently, it is forbidden to:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (articles 24 and 25 of Legislative Decree 231/01);
- break the rules set out in the procedures, Code of Ethics and documents adopted to implement the reference principles of this document;
- break the principles and rules set out in the Code of Ethics adopted.

More specifically, it is forbidden to:

- a) give money donations donate money to Italian or foreign public officials;

- b) distribute gifts and gratuities beyond the provisions of the Code of Ethics and of the implementing procedures. In particular, any kind of gift to Italian and foreign public officials (including in those Countries where making gifts is a common practice), or to their families, that may affect their autonomy of judgment or persuade them to ensure any kind of advantage to Angelini Beauty, is forbidden. The gifts, grants and sponsorships allowed must always be of small amount or must be intended for promoting charity or cultural actions. The gifts given, except for those of poor value, must be documented appropriately in order to allow the Supervising Body to carry out the appropriate verifications (gratuities for charitable or cultural purposes shall be granted according to a specific procedure);
- c) grant benefits of any kind ((promises of employment, etc.) to Italian or foreign Public Administration representatives that may result in the same consequences mentioned in point b) above;
- d) provide services or determine fees of any kind in favor of Commercial Consultants and Partners which are not adequately justifiable in relation to the contractual relationship established with them or in relation to the type of engagement to be performed, and with prevailing local practices;
- e) receive gifts, gratuities or advantages of any nature, should they go beyond the ordinary commercial and courtesy practices; whoever receives gifts or advantages of any other nature not falling under the cases allowed, must inform the Supervising Body, according to the set procedures;
- f) submit false statements to national or community public authorities in order to obtain public funds, contributions or subsidized loans or, in general, such as to mislead the State or any other public authority and damage it;
- g) use the amounts received from national and community public authorities as funds, contributions or loans, for purposes that are different from those they were intended for;
- h) tamper the functioning of computer and telecommunication systems and manipulate the data contained in them.
 - i) use any form of pressure, deception, suggestion or exploitation of the good nature of the Public Official, so as to affect the outcomes of administrative activity;
- j) overlook the obligations and control tools provided by the Company in the field of management of cash flows in compliance with the principles of professional and accounting fairness, in order to guide decisions in their favor for the achievement of concessions, license and authorizations by Public Officials;

The behavior and organizational rules above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2. Specific behavior and organizational rules for preventing offenses when dealing with Public Administration.

The reference principles related to corporate procedures aimed at preventing offenses in the relationships with the Public Administration are listed below.

3.2.2.1 General and specific behavior and organizational rules for managing relationships with the Public Administration in order to obtain administrative measures (such as authorizations, licenses, concessions, permissions, etc.) as well as to carry out fulfillments before it (communications, statements, submission of deeds and documents, etc.) for performing the corporate activities

The procedure contained herein involves the implementation of the following:

- splitting of the subjects responsible for establishing contacts with the public entity to ask for information, for drafting the application, submitting the application, for managing the authorization, establishing specific control systems (e.g. filling out information sheets, calling special meetings, recording the main deliberations) in order to guarantee the compliance with process integrity, transparency and fairness criteria;
- specific protocols to check and make sure that the documents that must be produced are true and correct (e.g. joint check by the person responsible for the application submission and the person responsible for controlling the authorization management) and control criteria (deadlines, charts, internal training), as well as the related responsibilities in order to ensure that the relevant data are transmitted to the Public Administration within the deadlines;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- identification of the entity in charge of representing the Company before the granting Public Administration, which must be conferred with an appropriate delegation of authority and power of attorney, as well as specific regular reports about the tasks carried out both to the

Supervising Body and the person responsible for the function in charge of managing said relationships;

- a clear and accurate description of the roles and duties of the function responsible for controlling the attainment and the management of authorizations, especially as regards the factual and legal grounds which the submission of the related request shall be based on;
- specific forms of periodical reporting to the Supervising Body.

The procedures above explain the single sensitive processes of the several Functions/Departments of Angelini Beauty.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.2 Specific behavior and organizational rules for managing the relationships with the Public Administration, including in case of environmental verifications and inspections

According to the following procedures establishing the methods and the functions representing Angelini Beauty in the management of relationships, inspections and verifications in relation to environmental protection, the Company shall:

- confer a special power of attorney upon the people responsible for the functions involved in inspections and/or verifications in order to grant them the power to represent the Company before public authorities (in particular, Revenue Agency, Finance Police, Italian Regional Environmental Protection Agency, Local Health Unit, Ecology Operative Unit, State Forestry Corps, Forestry and Environmental Protection Investigation Units, NAS, Anti-Adulteration Police Units, as well as the other Law Enforcement Agencies responsible for environmental issues) in case of inspection and/or verification;
- confer a special delegation of authority upon the function in charge of representing the Company before the Public Administration which is granting an administrative measure or which a communication is addressed to;
- provide for the proxies mentioned above to draw up an information report of the activities carried out during the inspection containing, among other things, the names of the officials met, the requested and/or submitted documents, the entities involved and a resume of the verbal information requested and/or provided; if more entities take part in the inspection, the report must be drawn up jointly;

- arrange a method for filing the documents related to the activity in question. In particular, the methods used to keep track of the applications, authorizations, communications and any other data sent to Public Administration entities must be specified, in order to make sure that the documents are immediately available in case of request;
- arrange a preliminary communication method in order to inform the entities in charge on inspection notices, as well as their role in orienting, supervising and monitoring;
- establish when and how to refer to any other function or, if needed and urgent, inform the Chief Executive Officer;
- arrange specific forms of periodical reporting on the management to the Supervising Body.

The procedures above shall be applied to the single sensitive processes of the several Functions/Departments of Angelini Beauty.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.3. Specific behavior and organizational rules for managing the attainment and/or management of contributions, grants, funds, insurances or guarantees given by public entities

The procedures below concerning said sensitive activity shall:

- provide for the splitting of the entities responsible for monitoring the opportunities to obtain contributions and/or funds granted by public entities, establishing contacts with the public entity to ask for information, for drawing up the application, submitting the application and managing the contribution and/or fund granted, establishing specific control systems (e.g. filling out information sheets, calling special meetings, recording the main deliberations) in order to guarantee the compliance with process integrity, transparency and fairness criteria;
- concern all the entities involved in the process, detailing those who have direct contacts with public entities, formally highlighting the tasks to be performed in order to carry out each of the operational steps established, until the process is completed, including all the fulfillments on any checks by the competent entities and the methods used to ensure the proper allocation and reporting of the funds obtained;
- provide for the control and check of the documents that must be produced to obtain the contribution and/or fund to be true and correct (for example, joint check by the person responsible for the application submission and the person responsible for controlling the management of the contribution and/or fund);

- provide for the creation of specific information flows between the functions involved as part of a collaboration, mutual surveillance and coordination;
- be intended for the person in charge of representing the company before the granting Public Administration, domestic or foreign, who was conferred with an appropriate delegation of authority and power of attorney, and provide for the implementation of specific forms of periodical reports about the tasks carried out toward the Supervising Body;
- provide for a clear and accurate description of the roles and responsibilities of the entity in charge of making sure that the actual purpose of use of the contribution and/or grant issued and the "official" purpose it was obtained for are the same, by arranging the appropriate forms of periodical reporting to the Supervising Body.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.4. Specific behavior and organizational rules on preparing and sending income statements or withholding agents, or other statements necessary to pay taxes in general, to the competent authorities and managing relationships with the Public Administration in case of verifications and inspections

The procedures contained herein involve the implementation of the following:

- a clear definition of the roles and tasks of the subjects responsible for dealing with the competent Authorities in terms of income statements or of withholding agents and while performing the several activities, providing for controls (for example, filling out assessment sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of their information requests to the offices of the same public administration bodies;
- the identification of the staff in charge of managing the several tasks and supervising them (in particular, the supervision methods and periods must be specified) and make sure that the activities connected to the determination, the account recording and the payment of the tax burden are properly separated;
- the definition of the methods for filing the documents related to the activities in question, in order to make sure that the documents are immediately available in case of request;

- the indication of the main internal control measures when managing the relationships with the Public Administration;
- check and make sure that the documents addressed to the Public Administration are true and correct (e.g. joint check by the person responsible for the application submission and the person responsible for managing the relationships with the Public Administration);
- creation of specific information flows between the functions involved as part of a collaboration, mutual surveillance and coordination;
- the identification of the entity in charge of representing the Company before the public entity, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body;
- a special power of attorney to be conferred upon the people responsible for the functions involved in inspections and/or verifications in order to grant them the power to represent the Company before public authorities in case of inspection and/or verification;
- an information *report* drawn up by the proxies of the activities carried out during the inspection containing, among other things, the names of the officials met, the requested and/or submitted documents, the entities involved and a resume of the verbal information requested and/or provided; if more entities take part in the inspection, the *report* must be drawn up jointly.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.5 Specific behavior and organizational rules for managing negotiations with the Public Administration

The procedures contained herein establish the Company implements the following:

- a clear definition of the roles and tasks of the functions responsible for managing the initial contacts with the Public Administration, providing for controls (for example, filling out information sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of information requests by Angelini Beauty to Public Administration's offices or requests by Public Administration's representatives to Angelini Beauty;

- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- the identification of the function in charge of representing the company before the Public Administration, which must be conferred with an appropriate delegation of authority and power of attorney, as well as establish specific forms of periodical reporting on the activity carried out both toward the Supervising Body and the person responsible for the function in charge of managing said relationships;
- the splitting of the functions in charge of preparing and submitting the offer, and provide for specific methods to make sure the offer is adequate, adjusted according to the type and size of the contractual activity;
- when preparing the offer, the inclusion of an appropriate system of controls aimed at avoiding the risk of submitting, to the Public Administration, incomplete or inaccurate documents stating, in contrast with the truth, that the conditions or the requirements necessary to take part in the tender and/or the awarding of a different assignment through other procedures exist, or documents causing the risk of *claims* by third parties or variations during work in progress;
- a system to transmit data and information to the function responsible for the work order through a system (also computer system) which makes it possible to trace the single steps and identify the entities inserting data into the system;
- the splitting of the tasks concerning contract closure, input of the software application for invoicing, checking payments and debits;
- the definition of the methods and terms to manage customer's claims, and identify the functions responsible for receiving the claims, making sure that the point of contention is appropriate, performing cancellations and checking them;
- the splitting of the functions responsible for negotiating contractual variations with the customers, recalculating/adjusting prices, and the related checks on the amount to be invoiced to the customer.

Said procedures above explain the single sensitive processes of the several Functions/Departments of Angelini Beauty.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.6 Specific behavior and organizational rules for managing the relationships with the Public Administration, including in case verifications and inspections on safety and hygiene at the workplace (Legislative Decree 81/08) the compliance with the precautions set out in laws and regulations on the employment of workers for special tasks

In addition to the fulfillments and obligations imposed by the regulations on the protection of safety and hygiene at the workplace, the specific procedures contained below identify the methods and the entities responsible for managing the inspections and verifications carried out by the public officials and criminal investigation officers (including, but not limited to, officials of local authorities, Carabinieri, Local Health Unit officials).

The procedures contained herein involve the implementation of the following:

- clear definition of the roles and tasks of the entities responsible for managing the initial contacts with the Public Administration, providing for controls (for example, filling out information sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of information requests by Angelini Beauty to Public Administration's offices;
- creation of specific information flows between the functions involved as part of a collaboration, mutual surveillance and coordination;
- the appointment of the entity in charge of managing the relationships with the Public Administration which, in case of inspections by Public Administration entities, is authorized to manage said verifications and, also provide for the recording of the activities performed during verifications;
- the method for filing the documents related to the sensitive activity;
- periodical dissemination of safety and health regulations, leaving proper track of the dissemination of the rules within the company;
- the main internal control measures when managing the relationships with the Public Administration;
- a special power of attorney to be conferred upon the people responsible for the functions involved in inspections and/or verifications in order to grant them the power to represent the Company before public authorities in case of inspection and/or verification;

- an information report drawn up by the proxies of the activities carried out during the inspection containing, among other things, the names of the officials met, the requested and/or submitted documents, the entities involved and a resume of the verbal information requested and/or provided; if more entities take part in the inspection, the report must be drawn up jointly;
- specific forms of periodical reporting on the management to the Supervising Body.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.7 Specific behavior and organizational rules for managing social security treatment for staff (social contribution statements and payments and communications to the competent authorities: National Social Security Institute, Workers Compensation Authority, Labor Inspectorate, etc., related to the employment relationship) and managing relationships with the Public Administration in case of the related verifications/inspections

The procedures contained herein involve the implementation of the following:

- a clear definition of the roles and tasks of the entities responsible for managing the first contact with Social Security Bodies and performing the several activities, providing for controls (for example, filling out assessment sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of their information requests to Social Security Bodies' offices;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- the indication of the function that prepares the forms to submit to Social Security Bodies;
- the identification of the staff in charge of managing the several activities and supervising them (in particular, the supervision methods and periods must be specified);
- a method for filing the documents related to the activity in question must be arranged. In particular, among other things, the methods used to keep track of the applications, authorizations, communications and any other data sent to Public Administration entities must be specified, in order to make sure that the documents are immediately available in case of request;

- the indications of the main internal control measures when managing the relationships with the Public Administration.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.8 Specific behavior and organizational rules for managing in-court and out-of-court disputes

The specific procedures below define the methods and the terms for managing tax and legal disputes, and provide for the implementation of the following:

- the identification and splitting of the tasks related to claim receipt, verification of the point of contention effectiveness, out-of-court and in-court dispute management;
- the immediate transmission of the objection to the function in charge of receipt, such as the Legal Department for the legal dispute and the Corporate Tax Department for the tax dispute, along with a report describing the facts on which the objection is based;
- specific information flows between the functions involved in the process with mutual verification and coordination purposes;
- special regular reporting lines of the Legal Department and the Corporate Tax Department to the Chief Executive Officer and to the Supervising Body on the status of the dispute and on the possibilities and terms of out-of-court settlement or in-court negotiation of the dispute;
- the objection shall be based on objective parameters and any negotiation and/or settlement shall be handled by the function owning an *ad litem* special power of attorney and delegation of authority, granting the power to settle or negotiate the dispute;
- methods to select external lawyers used by the Company, and keep trace of the reasons why a certain professional has been selected to handle the specific dispute;
- monitoring activities carried out by the Company on the work of the external lawyers appointed (in particular, among other things, on the fees and expense refunds requested).

The behavior and organizational rules above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.9 Specific behavior and organizational rules for staff selection and management

The specific staff selection and management procedure herein provide for the implementation of the following:

- clear provisions for managing the staff selection, hiring and incentive process, in accordance with the staff selection procedure established on a group level;
- a clear definition of the roles and tasks of the entities responsible for staff selection and management;
- control on the identification of potential conflicts of interest with the Company (for example, previous employment relationships with the Public Administration, during which inspection activities were carried out on the company or the group's companies, whether directly or by family members);
- a structured candidate assessment system and the related standard forms to be filled out by the recruiters, in order to make sure that the reasons why a candidate has been recruited/discarded can be traced back;
- the management of staff incentives;
- the definition of the methods for filing the documents related to the activities in question, in order to make sure that the documents are immediately available in case of request;
- with special reference to the management of agents, the definition of the methods for selecting and recruiting them, the selection process traceability and the methods used to calculate commissions.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.10 Specific behavior and organizational rules for the supply of goods, services and consultancies

The goods and service supplying procedure herein provide for the implementation of the following:

- implementation of objective criteria for the selection of the purchase methods used (single source supplier, private negotiation, tender);

- application of selection criteria for potential suppliers and external of Angelini Beauty to which the purchase order is to be appointed, especially the functions that take part in said process, must guarantee the suppliers/external consultants which meet the necessary requirements equal opportunities for participating in the selection; ensure that more than two suppliers participate in the tender, except for duly documented special cases and with the prior formal approval by the process manager; ensure, also through proper documents, that the suppliers/external consultants participating in the tender meet the professional, financial, organizational and moral requirements;
- a clear definition of the roles and tasks of the entities responsible for managing the first contact with the potential supplier/external consultant, providing for controls (for example, filling out assessment sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of their information requests to Angelini Beauty members and the completeness and truthfulness of the documents submitted by them;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- identification of the function requiring the supply, which shall set the needs, methods, contents and time schedule of the supply, by drawing up and issuing the purchase request, also using IT systems;
- identification of the entity in charge of representing the Company before the potential supplier/external consultant, which must be conferred with an appropriate delegation of authority and power of attorney, as well as specific periodical reports about the tasks carried out both to the Supervising Body and the person responsible for the function in charge of managing said relationships;
- the clear and accurate definition of the entities appointed to control and make sure that the purchase orders have been placed correctly by the suppliers as well as the methods for carrying out said control;
- the prohibition, in accordance with the Code of Ethics provisions, to accept money or any other avails or benefits by the suppliers, including through intermediaries, should they go beyond the ordinary courtesy practices, in compliance with the provisions of this document.
- the formalization of the reasons leading to the assignment of a professional task;
- the methods through which establishing compensation;
- the provision for checks on the tasks actually carried out;
- the assignment of signature authority to Directors in order to enter into collaboration contracts;

- the objective criteria for the selection of the purchase methods used (single source supplier, private negotiation, tender);
- the clear definition of the roles and responsibilities of purchase departments and requesting entities;
- the definition of supplier selection documents to be filled out and filed;

Said procedures above explain the single sensitive processes of the several Functions/Departments of Angelini Beauty. When establishing relationships with the suppliers, their compliance with the principles of this Model shall be checked, and the outsourcing contracts must include a transparency clause and consequent express termination clause in case of violation of their obligations due to failure to communicate the lack or the change of the signing requirements.

The behavior and organizational rules described above shall also be provided for and complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.11 Specific behavior and organizational rules for managing financial resources

The specific financial resources management procedures herein provide for the implementation of the following:

- the clear and accurate definition of the tasks and responsibilities of the entity in charge of managing and controlling financial resources;
- special yearly and quarterly reporting lines to the Chief Executive Officer and the definition of a formal and periodical financial resource planning system;
- the transmission of data and information to the entity responsible for controlling the resources through a system (also computer system) which makes it possible to trace the single steps and identify the entities inserting data into the system;
- the splitting of the entities responsible for financial resource control and management activities, introducing special information flows toward the Supervising Body;
- regulations on the conditions and methods for allocating funds to the several corporate functions, establishing that the allocation by the entity in charge of the management is subject to prior verification that the use is reasonable and necessary, and the purpose is legal. The management limits shall be established by the Managing Director through a system of

delegations of expense powers assigned to each person responsible for organizational functions at Angelini Beauty;

- the definition, in particular, of the types of promotion, entertainment and gratuity expenses allowed, the amount limits and the necessary authorizations for each corporate function involved.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.2.2.12 Specific behavior and organizational rules for managing travel and entertainment expenses, gifts, gratuities, advertisement and sponsorships

The procedure aimed at regulating entertainment expenses and gifts, gratuities and bailments herein must for the implementation of the following:

- the prohibition to carry out promotional and advertising activities on the products for which they are forbidden by the law;
- the organization of meetings and congresses, with special reference to the roles and responsibilities for the selection of the organizing companies, by defining the criteria for managing any conflict of interest;
- that the activities regarding donations/gratuitous bailments to entities outside the company be formalized by entities with appropriate signature powers in order to stipulate donation and bailment contracts thereof;
- the management of gifts, describing in an accurate way the checks to perform on said activity (and its tools), while always guaranteeing the opposition of interests in said control activity;
- the clear definition of the entities owning exclusive powers to decide on entertainment and/or promotion expenses, the gifts and any other gratuities;
- the definition of the process for authorizing entertainment and/or promotion expenses and gifts, by providing for the splitting of the entities into who decides, who authorizes and who supervises on said expenses;
- the type of entertainment and/or promotion expenses and gifts allowed;
- the definition of the maximum limits of entertainment and/or promotion expenses and the maximum values of gifts;

- the traceability of the necessary documents (so-called "trace") allowing to trace the identity of the beneficiaries of entertainment and/or promotion expenses and gifts;
- the tracking of the gifts given.

The behavior and organizational rules described above shall also be complied with while establishing relations and dealing with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.3 Reference principles common to other types of sensitive activities

For the purpose of completeness, the specific procedures herein in application of the reference principles for the creation of the Model and the procedures contained therein, include:

- that all the promotional activities and concessions of gratuities shall be managed by the function in charge according to specific rules.

Furthermore, always in compliance with the general behavior principles and the prohibitions described, a specific procedure must be established aimed at regulating entertainment expenses and gifts, which defines, in particular:

- the entities owning exclusive powers to decide on entertainment and/or promotion expenses, the gifts and any other gratuities;
- the definition of the process for authorizing entertainment and/or promotion expenses and gifts, by providing for the splitting of the entities into who decides, who authorizes and who supervises on said expenses;
- the definition of the type of entertainment and/or promotion expenses and gifts allowed;
- the definition of the maximum limits of entertainment and/or promotion expenses and the maximum values of gifts;
- the traceability of the necessary documents (so-called "trace") allowing to trace the identity of the beneficiaries of entertainment and/or promotion expenses and gifts;
- tracking of the gifts given.

The common reference principles above lead the company procedures also in terms of establishing and keeping relationships with the Public Administration, in execution and in the occasion of the supply of services to third parties.

3.4 Sensitive activities related to computer crimes and illegal data processing

The types of sensitive activities related to computer crimes and illegal data processing as per article 24-*bis* Legislative Decree no. 231/2001 are listed below.

Within the management of computer and telecommunication systems, we mainly refer to the management of the following activities:

- access to corporate systems and network, to data, electronic media and their backup;
- use of software, equipment, computer devices or programs;
- phone calls (internal and external);
- installation, verification and implementation of network safety measures;
- data filing and keeping.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The same sensitive activities are covered by this Model also as regards the supply of services by third parties to Angelini Beauty, especially by Finaf S.p.A. in execution of and as regards service contracts about application software management.

Therefore, the area of risk of the potential offense mentioned is the use of the corporate IT network (and of third parties within the provision of services) as integrated system of infrastructures, connections, services available to the employees according to the different access possibilities to the fixed or mobile workstation (as an example, through servers, e-mail, Internet, centralized or peripheral record, as well as through the use of any other data and conversation transmission type or tool).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to:

- all the activities carried out by the staff through a direct or indirect contact with the company's and the associated companies' network, e-mail service, Internet access or any other data sharing system;
- the management, even if assigned to third parties, of the corporate IT network in order to ensure its functioning, maintenance and the evolution of its technology platform and computer safety devices.

3.4.1 General behavior and organizational rules for preventing computer crimes and illegal data processing

During the execution of all operations pertaining to the management of the company IT network, the Employees and, as relevant to them, the Corporate Bodies, shall adopt and respect, the following:

- the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
- the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
- in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 24-*bis* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

Consequently, the above-mentioned entities must strictly comply with all the current laws, and in particular, must:

1. act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at managing the corporate IT network and the personal information connected to their work, in accordance with their role within the corporate organization;
2. not disclose information about corporate IT systems or information gathered by the use of said systems or the corporate network;
3. not use corporate IT systems for purposes which are unrelated to the task performed or against the Code of Ethics;
4. not commit acts, including with the help of third parties, aimed at accessing other people's IT systems in order to illegally acquire, damage or destroy their contents, or acts aimed at disabling the company's and third parties' systems, or impair their functioning;
5. neither use access codes to IT and telecommunication systems illegally nor disclose them;

6. not commit acts aimed at destroying or altering computer documents with evidential value, or documents that must be kept, unless upon specific authorization.

In particular, it is expressly forbidden to:

7. bypass or try to bypass corporate safety mechanisms (e.g. antivirus software, etc.);
8. use or install programs other than those authorized by the IT and telecommunication systems managing function;
9. keep or disseminate access codes to third parties' or public authorities' IT and telecommunication systems;
10. leave the assigned personal computer unlocked and unattended;
11. disclose the authentication credentials to access the corporate network (username and password);
12. access the corporate network and programs with an ID code other than the one assigned.

In general, the employees must comply with the regulations in force on data processing and the use of IT and telecommunication systems and protect the confidentiality of the information handled.

The recipients must comply with the obligations, provisions and instructions described above even in the occasion of and during the activities concerning service provision contracts to third parties.

In turn, the Company shall implement the following general actions:

1. adequately informs the employees on the importance of keeping access codes confidential, using the corporate IT resources properly, the need for protecting the confidentiality of the computer data entrusted;
2. sets up IT systems to automatically block in case they are not used for a prolonged period;
3. provides for an Internet connection access only to the employees who need one for corporate operational purposes;
4. equips the places where personal data are kept and, in general, the processing centers with appropriate closure systems, and establishes that the surveillance of said instructs be entrusted to the functional director;
5. equip the IT and telecommunication network with protection and prevention systems against the illegal installation of devices for intercepting, obstructing, preventing and interrupting the communications within them;
6. equips computer systems with appropriate measures such as *firewall* and antivirus *software*, and takes care of their update and implementation, and provides for systems preventing them from being disabled;

7. restricts the access to sensitive Internet websites, which are considered as potential means for virus spreading which can lead to damage to the IT system or the destruction of the data included therein, as well as any other and potential prejudice to the corporate activity;
8. prevents, on the Company's IT systems, the installation and use of software through which it is possible to exchange *files* (video and/or audio, etc.) with other entities within the Internet network for purposes other than those of the company;
9. if wireless connections are used to access the corporate Internet network, it establishes the protection of the network through access keys that prevent third parties from using it illegally;
10. provides for an authentication process through a procedure to assign a username and a password matching a specific profile for each employee or category;
11. restricts the access to the corporate IT network from the outside, by adopting and keeping different or additional authentication systems from those arranged for the Recipients' internal access.
12. defines procedures for managing the dismantling process of discontinued utilities;
13. the system administrators are provided with personal authentication details and access to corporate applications is properly log-tracked, in compliance with the Authority's provisions;
14. applications track changes made by users to data and systems;
15. defines criteria and modes for the assignment, modification and removal of user profiles;
16. access to information on servers and company databases, including customers, is limited by authentication tools;
17. company servers and laptops are regularly updated according to specific needs;
18. defines identification, prevention and restoration controls in order to protect against malicious software (viruses), as well as procedures aimed at raising user awareness on the topic;

These measures are implemented also as regards the supply of services by third parties to Angelini Beauty, especially by Finaf S.p.A. in execution of and as regards service contracts about application software management.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 24-*bis*, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions involved in the management of IT systems and data processing must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

3.4.2 Specific behavior and organizational rules for preventing computer crimes and illegal data processing

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding accident prevention at the workplace include the following:

- the identification of the activities, roles and responsibilities;
- definition of the guidelines establishing, in an unequivocal way, the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the system management and in the data processing, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be properly documented.

Furthermore, the internal procedures included herein set out the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

As regards the behavior and organizational rules regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said authorities and the Supervising Body, even during inspections, the specific procedures provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

In order to further specify the general behavior rules mentioned above, it is expressly and specifically forbidden to:

1. send anonymous e-mails or e-mails containing false personal details, by replacing or hiding the personal identity to that purpose;
2. introduce computers, peripherals, other equipment or software inside the company without prior authorization by the function in charge;
3. change the setup of one's workstation;
4. acquire or use software and/or hardware tools aimed at compromising the safety of the IT and telecommunication systems (such as systems to detect passwords, identify vulnerabilities, decode encrypted *files*, intercept traffic, etc.) or causing any other prejudice to the corporate assets and activities;
5. obtain access credentials to the company's or third parties' IT and telecommunication systems, in deviation of the assignment procedures authorized by the Company;
6. disclose, transfer to or share with staff inside or outside the Company one's credentials to access the company's or third parties' systems and network;
7. tamper with, steal, erase or destroy the company's or third parties' computer assets, including archives, data and programs;
8. carry out unauthorized tasks aimed at damaging the corporate IT system safety controls;
9. commit intrusions into the company's or third parties' computer or telecommunication systems aiming at gain access to resources, data or information other than those authorized, even if said intrusion does not damage the data, programs or systems;

11. tell unauthorized people, both inside and outside the company, about what is being controlled and the control procedures on the company's IT systems;

14. give reserved data and information, or any other data or information not intended for dissemination, to third parties (commercial, organizational, technical).

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.4.3 Managing relationships with the Italian Data Protection Authority

Relationships with the Italian Data Protection Authority: we are talking about the obligations related to regulations on the treatment of sensitive information and the relevant relationships with the authority responsible for the control, also in case of inspections.

Sensitive activities:

- Collection and transmission of data, information and documents by the Italian Data Protection Authority

- Management of relationships with the Italian Data Protection Authority and its Office in case of inspections and controls ordered by the Italian Data Protection Authority.

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures regarding the management of relationships with the Italian Data Protection Authority include the following:

- while performing their activities/functions, in addition to complying with the provisions defined in this Model and in its protocols, the company representatives involved in the Managing relationships with the Italian Data Protection Authority Risk Area, must also comply, in order to prevent and avoid crimes against the Public Administration, with the following corporate procedure, which is issued to regulate such risk area and requiring:

- clear identification of company representatives responsible for the treatment of personal data and authorized to represent the company in the relationships with the Italian Data Protection Authority

- formalization of contacts/relationships established with the Italian Data Protection Authority; access to sensitive data (electronic and physical archives) restricted to authorized people only; accuracy and completeness checks on the documents/data forwarded to the Supervising Authority.

3.5 Sensitive activities related to organized crime offenses

Organized crime offenses are referred to under article 24-ter of Legislative Decree no. 231/2001 as introduced by Law no. 94 dated 15 July 2009, which includes provisions on public security (hereinafter "Organized crime offenses").

The article above has therefore extended the list of the so-called predicate offenses as the following were added:

- Criminal organization (article 416, Criminal Code);
- Criminal organization aimed at committing the following crimes: reducing or maintaining individuals in a state of slavery and servitude, human trafficking, purchase and sale of slaves, trafficking of organs removed from living persons and crimes concerning the violations of provisions against illegal immigration referred to in art. 12 of Legislative Decree 286/1998 (art. 416, paragraph 6, Criminal Code)
- Mafia-type organization (article 416 bis, Criminal Code);
- Crimes committed under the circumstances referred to in article 416-*bis* of the Italian Criminal Code for mafia-type organizations or in order to facilitate the activity of said organizations
- Swapping votes for favors with mafia-type organizations (article 416-*ter* Criminal Code);
- Kidnapping for extortion (article 630, Criminal Code);
- Association for the purpose of unlawful trafficking in narcotic drugs or psychotropic substances (article 74, Decree of the President of the Republic no. 309 dated 9 October 1990);
- Illegal manufacture, introduction into the Country, sale, transfer, possession and shelter in a public place or open to the public for war weapons or warlike arms or part of those, explosives, and illegal arms, as well as additional common firearms excluding those provided by article 2, paragraph 3, of Law 110 dated 18 April 1975.

A preliminary analysis showed that the cases referred to in articles 416 *ter* and 630 of the Italian Criminal Code, article 74 of Decree of the President of the Republic no. 309/90 and article 407 paragraph 2, letter a) no. 5 of the Italian Code of Criminal Procedure shall not be applied to the Company.

It should also be considered that Law no. 146 dated 16 March 2006 has introduced a new category of “cross-border crimes”. The purpose of the law mentioned above is to provide more effective preventive and repression tools against international criminal organizations, which need to be fought with the cooperation of different Countries.

Pursuant to article 3 of said law, cross-border crimes are those crimes that are punished with a penalty of no less than four years of imprisonment, should it involve an organized crime group, as well as:

- it is committed in more than one Country;
- or it is committed in one Country, but a substantial part of its preparation, planning, management and control is carried out in another Country;

- or it is committed in one Country, but it involves an organized crime group performing criminal activities in more than one Country;
- or it is committed in one Country but has substantial effects in another Country.

Article 10 lists the criminal offenses that result in the organization's administrative liability, should the constitutive elements of a cross-border crime listed above and, naturally, the criteria referred to in the Decree (commitment of offenses by a top manager or an employee in the interest or to the advantage of the organization) for the imputation of liability to the organization exist. The crimes under article 10, in addition to the already mentioned articles 416, 416 bis Criminal Code and 74 article 74, Decree of the President of the Republic no. 309/90, are the following:

- Criminal organization for the purposes of smuggling foreign processed tobacco (article 291-quater Decree of the President of the Republic no. 43 dated 23 January 1973);
- Incitement to not testify or to bear false testimony before the judicial authority (article 377-bis, Criminal Code);
- Aiding and abetting (article 378, Criminal Code);
- Provisions against illegal immigration (article 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286 dated 25 July 1998).

It is hereby specified that some crimes were included in this section of the Organizational Model just prudentially, because although there are no specific elements from which the existence of actual risks can be assumed, those are crimes on which the Company wants to keep a high level of attention.

The description of the crimes above, especially those committed in association, show how through associations, other crimes expressly provided under Legislative Decree 231/2001, or crimes that do not fall under the types of offenses which result in the Organization's individual administrative liability, may be perpetrated. The types of offenses provided for under Legislative Decree 231/2001 were analyzed and described in the related sections of this Special Section (to which reference should be made), whether they are committed in association or not. On the contrary, the Company deems herein appropriate to pay special attention to the type of tax offenses which, although it is not expressly provided in the Decree, still implies some risks in relation to its operations, meaning those related to tax offenses.

The tax offenses, as per Legislative Decree 74/2000 concerning the “*new discipline of offenses on income tax and VAT, pursuant to article 9 of law no. 205 dated 25 June 1999*”, are the following:

- Fraudulent tax return using invoices or other documents for non-existing operations;
- Fraudulent tax return through contrived acts;

- Untrue tax return;
- Failure to file tax return;
- Issue of invoices or other documents for non-existing operations;
- Hiding or destruction of accounting records;
- Failure to remit certified or due withholdings;
- Failure to remit VAT;
- Unlawful compensation;
- Deliberate non-payment of taxes.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The area of interest of the potential criminal conduct mentioned above is connected to all corporate functions.

3.5.1 General behavior and organizational rules for preventing organized crime offenses.

With reference to the general remarks exposed in the introduction about the identification of the abstract boundary of the offense above, the types of sensitive activities related to organized crime offenses as per article 24-*ter* of Legislative Decree 231/2001, at national and transnational level.

Within the corporate business, special reference is made to the management of the following activities, which are already covered by the evaluation related to other predicate offenses:

- management of intergroup relationships;
- management of national and foreign financial flows and investments;
- management of purchase of goods and services;
- staff selection;
- management of sales;
- management of administration and accounting, especially as regards the payment for and the purchase of goods and services, as well as the amounts received for service contracts to third parties;
- management of suppliers and relationships with the customers, including their data;
- acquisition and sale of corporate shareholdings and/or corporate immovable assets and the relevant accounting fulfillments;
- management of contracts;
- management of immovable and financial assets in terms of rental, purchase and sale;
- staff management;

- sponsorship and event management;

and in general:

- intergroup activities carried out within the relationships between companies pertaining to the same group, including if their headquarters are in different Countries;
- activities with third parties, even if those activities are connected to relationships between Italian companies and foreign third parties or parties having their headquarters abroad; especially, in case of commercial and financial relationships with entities at risk, or entities included in lists connected to the fight against financial threats (e.g. UIC or Financial Action Task Force lists).

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

Sensitive activities are covered by this Model also as regards the supply of services by third parties to Angelini Beauty, especially by Finaf S.p.A. in execution of and as regards service contracts.

The risk area of the potential criminal conduct above is therefore the management of the corporate business with regard to commercial and financial relationships with third parties, whether national or from abroad, which have interests in the following sectors:

- administrative / financial Administration / legal);
- commercial Purchase/sales, legal);
- relationships within the group Administration / legal);
- management of financial flows and investments (Administration);
- human resources (Staff).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the preparatory corporate activities or with indirect contacts with the management of the sensitive activities provided.

3.5.2 General behavior and organizational rules for preventing organized crime offenses

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by the staff through a direct or indirect contact with conception, formulation, creation, production and release on the market of the corporate product, as well as all the corporate activities potentially affecting the business area of competing companies.

While performing their activities/functions, in addition to knowing and complying with the Code of Ethics provisions, operational procedures and any other internal standards related to Corporate Governance, the employees (top managers and subordinated) shall comply with the behavior rules contained in this Model.

In particular, this section expressly prohibits to act in a way as to constitute one of the types offenses above or behaviors that, although they are not a type of offense, may potentially constitute one of the offenses herein. Consequently, while carrying out all the operations regarding the sensitive activities mentioned, the Employees and the Corporate Bodies, as relevant to them, must adopt and comply with the following:

- the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
- the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
- in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 24-ter of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

Consequently, the above-mentioned entities must strictly comply with all the current laws, and in particular, must:

1. act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities connected to their work, in accordance with their role within the corporate organization;
2. promptly inform the Company and/or the Supervising Body on having become a suspect or accused in a criminal trial for organized crime offenses;
3. promptly inform the Company and/or the Supervising Body if, while performing their job, they receive reliable news that a supplier, a consultant or a customer is undergoing a criminal trial for organized crime offenses as a suspect or accused;

4. immediately inform the Company and/or the Supervising Body if, while performing their job, they receive or notice that other people receive pressure, threats, intimidation or requests that may be connected in any way to criminal organizations;
5. request, during the procedures to check and identify the counterparts and any entities on behalf of which they act, the necessary information in order to assess their reliability; said verification may occur by collecting data and proper documents (name, registered office and tax code, tax domicile, certificate of incorporation and by-laws and directors' personal information); to this purpose, they must check and update the lists available concerning counterparts' reliability (for example, the lists provided by the following entities: Financial Intelligence Unit UIF, Ministry of Economics and Finance, OFAC, FAFT, European Union); additionally, as regards the legal persons with which commercial relationships and service supply agreements are established, for which the Company issues or receives invoices, it is necessary to verify the VAT number and any other element useful to confirm the actual existence and structure of the third company and the activities specified in its corporate purpose;
6. select suppliers, partners and consultants according to objectivity, competence, cost effectiveness, transparency and fairness principles and based on objective criteria such as the existence of appropriate titles, quality, price, capability to supply and guarantee goods or services on an appropriate level;
7. verify the regularity of payments in commercial transactions, especially making sure that flows are directly related to the subjects holding the contractual relationship, and to this purpose update the counterpart records;
8. ensure that each economic transaction involving the transfer of money by or to the Company is fully and accurately recorded on the company books.

In particular, it is hereby expressly forbidden to:

- establish and keep relationships with entities (potential customers, potential suppliers, potential consultants) that are undergoing criminal trials or that do not meet the requirements set by the Company for corporate relationships with third parties;
- establish and keep commercial or contractual relationships with entities which pursue, through their activities, purposes that are incompatible with the provisions of this Model as specifically regards the traceability of the origin of the goods and services under the related contract;
- take part in or start the execution of money transfer operations through payment instruments which are not provided for in authorized procedures;
- establish and keep commercial or contractual relationships with entities (meaning individuals or legal persons outside the corporate organization) residing or having their headquarters in a

Country which is included in the list of the countries not considered as non-cooperative by the Financial Action Task Force ("FAFT") against money laundering, without previously making sure that they pursue, through their activities, purposes that are compatible with the provisions of this Model as regards the traceability of the origin of the goods and services under the contract;

- receive funds from condemned national or foreign entities (including with no final judgment), or companies or organizations which have been proven responsible (including with no final judgment) for carrying out money laundering, self-laundering and fencing;
- make donations (including as purchase of shares or stocks) to sentenced national or foreign entities (including with no final judgment), or companies or organizations which have been proven liable (including with no final judgment) for carrying out money laundering, self-laundering and fencing;
- make negotiations with or, in general, establish or keep business relationships with third parties, both Italian and foreign, included in counter-terrorism *blacklists*.

In general, the Recipients of this Model, even as regards the prevention of organized crime offenses, shall comply with the general and specific organizational and behavior rules of this Model with regard to all predicate offenses, especially cheat to public revenue, bribery and corruption, aimed at terrorism, fencing and money self-laundering and laundering, as well as environmental crimes.

In compliance with the Code of Ethics, the Company shall pay special attention to checking that the accounting and financial activities are correct and transparent, especially as regards tax regulations. It shall consider the regular fulfillment of its tax obligations as a founding principle of the social and economic cohesion; and shall consider tax evasion as a negative phenomenon for the regular competitiveness and the national equity balance, with consequent prejudice to the companies' business.

Consequently, in addition to drawing the attention of the Company's Directors and Employees of the competent functions on the constant and full compliance with the regulations about taxes in general, tax returns, direct taxes and VAT, even pursuant to Legislative Decree no. 74/00, the Company, especially as regards offenses referred to in article 24 *ter* of Legislative Decree no. 231/01, shall ensure the correct fulfillment of tax obligations; also, it shall check the reliability, the structure and the company consistency of customers and suppliers with which Angelini Beauty has commercial and service relationships, especially for companies based abroad and international relationships that involve invoicing of accounts receivable and/or payable in Italy.

All the above in order to prevent the establishment of relationships and agreements among multiple entities, from inside and outside the Company, aimed at arranging illegal conducts in general and, in any case, aimed at tax evasion and avoidance.

The recipients must comply with the obligations, provisions and instructions described above even in the occasion of and during the activities concerning service provision contracts to third parties.

In turn, the Company shall implement the following general actions:

- properly inform its employees on the importance of taking care of complying with laws and regulations against organized crime;
- prepare procedures to formalize the steps to follow while managing the relationships with the suppliers and third parties in general, intergroup relationships, especially as regards financial flows or flows of goods coming from areas or entities which reliability procedures must be implemented for;
- prepare appropriate procedures for staff selection, especially as regards the identification of the negative employment requirements connected to the ascertained liability (including with no final judgment) for (or connections with) organized crime activities.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 24-ter, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions involved in the sensitive activities mentioned above must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The function involved in the provision of services to associated companies must also promptly inform the Supervising Body of the associated companies to which the warning relates.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.5.3 Specific behavior and organizational rules for preventing organized crime offenses

In order to implement the described rules, in addition to the principles included in this Model, the specific procedures below regarding each type of sensitive activity described must be adopted and the following reference principles shall be complied with as well.

The specific procedures below on corporate activities considered sensitive, with reference to what is provided for the activities that are already deemed sensitive with respect to other predicate offenses, provide for the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the different tasks, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, the internal procedures included below provide for the Company to perform the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- an appropriate level of formalization.

As regards the behavior and organizational rules mentioned above regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said authorities and the Supervising Body, even during inspections, the specific procedures provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of

attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

In order to further specify the behavior rules above, with reference to what is provided for the activities that are already deemed sensitive with respect to other predicate offenses, the Company establishes the following:

1. the obligation to check corporate documents for legal origin and keeping;
2. the obligation to check funds / financial flows for legal origin, by asking the competent functions to provide the related documents;
3. in case of money grants to individuals, companies or organizations, both Italian and foreign, as well as the purchase of shares or stocks in national or foreign legal entities, the need for checking the seriousness and professionalism of the recipient, as well as the need for making sure that no negative requirements exist as concerns the involvement in actions connected to organized crime activities;
4. before entrusting consultants and partners with an assignment, the obligation to gather information on the seriousness and professionalism of the person to be appointed (references, CV, etc.), as well as their integrity requirements, by picking consultants enrolled in the appropriate professional associations;
5. as regards contractual relationships in general, the implementation of a special procedure through which the minimum requirements of the offering entities can be established, and the assessment criteria of their offers can be fixed;
6. in the contractual relationships, in particular, the provision of transparency clauses and consequent express termination clauses in case of breach by the third-party contractor due to failure to communicate the lack or the change of the conclusion requirements, if the liability for activities connected to organized crime activities;
7. the obligation to ensure transparency and traceability of the agreements/joint ventures with foreign enterprises in order to make investments.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

In relation to the hiring, managing, training and incentives to the employees and partners, in order to prevent any criminal infiltrations while performing the company's business, all company staff - each of them according to their responsibilities - shall have the following obligations:

- all company staff shall not accept any request that is contrary to the law in any way and shall inform their immediate manager so to inform the Police Authorities and file any necessary complaints;
- each company staff member must immediately inform the Police Authorities in case of attack to corporate assets or threats, by providing all the necessary information as to both the single harmful act and any additional relevant circumstances, including previous ones, and file any necessary complaints;
- the managers of the single company units shall guarantee appropriate surveillance inside the facilities, so that the access is allowed to authorized staff or vehicles only, based on the rules set by the Company's top management;
- the managers of the single company units, also because of any warnings received, shall consider the opportunity to activate IT and video surveillance systems aimed at recording each access to the company's areas, in full compliance with the privacy regulations.

In any case, all company staff, including through their managers, must inform the Supervising Body on any detail that may lead to assuming the danger of criminal interference on the company business, and to this purpose the Company shall commit to guarantee confidentiality to those who comply with the warning or complaint obligations above with full support, including in terms of legal assistance.

By virtue of service contracts, according to its competences, the Company shall commit to constantly use staff selection criteria in order to guarantee that the choice is made in a transparent way, based on the following criteria:

- professionalism appropriate to the tasks and responsibilities to assign;
- equal treatment;
- reliability against the risk of criminal infiltration.

As regards filling out, keeping, storing and preparing the accounting records and collateral activities, the management of accounting and the fulfillment of fiscal/tax obligations, in addition to the already existing company's tools and to the provisions of this Model, when preparing and then keeping tax-relevant accounting records, the following employees in charge, within their competences:

- shall not issue invoices or release other documents for non-existing transactions in order to let third parties commit tax evasion;
- shall keep the accounting records and the other documents that must be kept for tax purposes in a fair and orderly manner, arranging physical and/or IT defense that prevent any destruction and/or concealment acts.

When drawing up annual income tax and VAT returns, the employees in charge, within their competences:

- shall not report fictitious liabilities using invoices or other documents having evidence value similar to invoices, for non-existing transactions;
- shall not report assets for an amount lower than the actual one or fictitious liabilities (e.g. fictitiously incurred costs and/or revenues lower than the actual ones) by performing objectively or subjectively fictitious transactions or using false documents or other fraudulent tools suitable to prevent the verification and mislead the financial management;
- shall not report a lower taxable income than the actual one by exposing assets for a lower amount than the real one or fictitious liabilities;
- shall not let the terms for submitting the returns above and the payment of the taxes resulting therefrom expire uselessly.
- The Company, even though the implementation of specific procedures, shall commit to guarantee the application of the role splitting principle with regard to the management of the company's accounting and later reporting in the tax returns, as regards, by way of example:
 - making sure that the invoices issued match actual services;
 - making sure that tax returns represent the accounting records truly;
 - making sure that the certificates released as withholding agent and the withholdings remitted match.

With regard to the selection of commercial/financial partners and the handling of the relationships with them in addition to the already existing company tools, and to the provisions of this Model, before entrusting consultants and partners, it is necessary to gather information on their seriousness

and professionalism (references, CV, etc.), as well as their integrity requirements, by picking consultants enrolled in the appropriate professional associations.

3.6 Sensitive activities related to counterfeiting currency, legal tender, duty stamps, distinctive signs

First of all, as regards the Company's specific activity, it can be considered that within the offenses of counterfeiting currency, legal tender, duty stamps, distinctive signs, as offenses where legal entity's administrative liability is held as per article 25 *bis* of Legislative Decree no. 231/01, the potential counterfeiting conducts under articles 453, 454, 455, 457, 458, 459, 460, 461, 464 of the criminal code do not represent a concrete risk, as they are not directly connected to the corporate activities, unless they result from autonomous and malicious conducts in violation of the criminal code, which, as such, are incompatible with the general rules and principles referred to in the Code of Ethics and this Model.

However, each stage of Employees' activities involving a direct contact with payment instruments coming from third parties can be considered as a general sensitive activity.

Having also taken into account Angelini Beauty corporate purpose, and having considered the service contract purposes, by virtue of which Finaf S.p.A. provides specific services to Angelini Beauty, also in terms of brand management, this Model includes additional types of sensitive activities.

related to offenses concerning counterfeiting of distinctive signs, provided for in article 25-*bis* Legislative Decree no. 231/2001 regarding the cases punished under articles 473 and 474 of the criminal code and to the following sensitive activities are listed below:

- product creation (activity involving the selection of suppliers, the identification of legal requirements and provisions, the development and formulation of the product, production, labeling and packaging, consignment and stocking of products, management of blocks, recalls and withdrawals);
- product release on the market and distribution;
- product advertising.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The area of interest of the potential criminal conduct mentioned above is connected to the following sectors of corporate activities and competent functions: IT Systems / Staff and Organization/ Management and Finance / Operations / Supplies / Logistics (purchase/sale).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by the staff through a direct or indirect contact with conception, formulation, creation, production and release on the market of the corporate product.

3.6.1 General behavior and organizational rules for preventing offenses of counterfeiting distinctive signs

While carrying out all the operations regarding the management of the creation, release on the market and advertising of the company's products, the Employees and, as applicable, the Corporate Bodies must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*bis* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

The above-mentioned entities must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at managing the company product's creation, release on the market and advertising stages, connected to the performance of their work, in compliance with the role covered within the corporate organization.

As a consequence, it is forbidden to:

- counterfeit or alter national or foreign trademarks or distinctive signs of industrial products, capable of knowing the existence of industrial property rights or use counterfeit or altered trademarks or distinctive signs;
- counterfeit or alter industrial patents, drawings or models, national or foreign, or use said counterfeit or altered patents, drawings or models;
- introduce into the State, in order to gain profit, industrial products with counterfeit or altered trademarks or other distinctive signs, national and foreign;
- keep for sale, sell or otherwise put into circulation, in order to gain profit, industrial products marked with counterfeit or altered trademarks which may mislead the purchasers, resulting in them being possibly confused in recognizing the product;
- use names or distinctive signs aimed at creating confusion on the names or distinctive signs legitimately used by others, or slavishly imitate a competitor's products, or perform, by any other means, actions that are likely to generate possible confusion with a competitor's products and activities;
- use, for commercial or industrial purposes (e.g. use on advertisement or commercial paper), of trademarks or distinctive signs counterfeited by others.

Therefore, the competent functions must:

- carry out an appropriate clearance search before registering a trademark or patent, in order to check whether identical trademarks or patents or similar trademarks or patents exist, which may potentially envisage a conflict with the one to be registered;
- comply with the procedures adopted by the Company during research, creation or release on the market stages of a new product, related to the critical issues of the trademark or patent.

In turn, the Company shall implement the following general actions:

- adequately inform the employees on the importance of complying with the intellectual property and the reliability of the market as regards distinctive signs;
- arrange procedures to verify and approve the trademarks and trade names to be used when creating the products, given the existence of any registered trademarks and patents, which may lead to confusion.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*bis*, Legislative Decree 231/2011,

from being committed, and reserves the right to any appropriate communication to the top functions of the Company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the OdV.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

The relationships with the Public Administration as regards cooperation requests made by the competent entities of Law Enforcement Agencies on counterfeiting offenses shall be managed by Angelini Beauty in cooperation with the Legal Department within their service relationship, even in the absence of an *ad hoc* power of attorney. Angelini Beauty shall perform the following actions:

- arrange specific methods for the segmentation of the decision-making process in the evaluation of Company products counterfeiting and periodically report the performed activities to the Supervising Body in case of relevant ongoing court proceedings;
- arrange a method for filing the documents related to the activity in question. In particular, the methods used to keep track of the applications, authorizations, communications and any other data sent to Public Administration agencies must be specified, in order to make sure that the documents are immediately available in case of request.

3.6.2 Specific behavior and organizational rules for preventing offenses of counterfeiting distinctive signs

In order to implement the general rules above, in addition to the principles included in this Model, the specific procedures herein regarding each type of sensitive activity described must comply with the following reference principles.

The specific procedures contained herein regarding the creation, marketing and advertising of the product provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- definition of the guidelines establishing, in an unequivocal way, the activities, roles and responsibilities about the management process;

- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, the internal procedures included below provide for the Company to perform the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called "function splitting") must be separated;
- written trace of each relevant step of the process (so-called "traceability");
- an appropriate level of formalization.

As regards the behavior and organizational rules above regarding the communications addressed internally to the OdV and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

In order to further specify the behavior rules mentioned above, the Company establishes the following:

- the clearance search on the trademark or the trade name must be repeated when marketing a product for the first time, in order to make sure there is no previous registration in Italy and/or abroad;

- as regards currently used trademarks, logos, advertisement, the results of the research carried out to ensure fairness and avoid conflicts with trademarks already used must be documented, especially its history;
- as regards trademark, logos and advertisement not yet used, if their creation was entrusted to external suppliers, the appointment must specifically provide for the contractual obligation to fully perform the research to ensure fairness and to avoid conflicts, by releasing a declaration of conformity of the trademarks concerned;
- when establishing contractual relationships with said suppliers, their seriousness and professionalism must be assessed, as well as whether they comply with the principles contained in this Model or not, especially as regards the protection of trademark and patent properties; in particular, contracts for appointment to third parties must provide for a transparency clause and a consequent expressed termination clause in case of violation of said obligation for failing to inform on the lack or change of contractual requirements, also regarding the compliance of the trademarks presented.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.7 Sensitive activities related to crimes against industry and commerce

Having also taken into account Angelini Beauty S.p.A. corporate purpose, and having considered the service contract purposes, by virtue of which Finaf S.p.A. provides specific services to Angelini Beauty S.p.A., this Model includes additional types of sensitive activities in relation to crimes against industry and commerce as per article 25-*bis*1 of Legislative Decree no. 231/2001, as listed below:

- product creation (activity involving the selection of suppliers, the identification of legal requirements and provisions, the development and formulation of the product, production, labeling and packaging, consignment and stocking of products, management of blocks, recalls and withdrawals);
- product release on the market and distribution;
- product advertising;
- trade, industrial and production activity which may potentially affect the business area of competing companies.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The area of interest of the potential criminal conduct mentioned above is connected to the following sectors and competent functions: IT Systems / Staff and Organization/ Management and Finance / Supplies / Logistics (purchase/sale).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by the staff through a direct or indirect contact with conception, formulation, creation, production and release on the market of the corporate product, as well as all the corporate activities potentially affecting the business area of competing companies.

3.7.1 General behavior and organizational rules for preventing crimes against industry and commerce

While carrying out all the operations regarding the management of the creation, release on the market and advertising of the company's products, as well as all the corporate activities potentially affecting the business area of competing companies, the Employees and, as applicable, the Corporate Bodies must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*bis*1 of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

The above mentioned entities must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at managing the company product's creation, release on the market and advertising stages, as well as all the corporate activities potentially affecting the business area of

competing companies, connected to the performance of their work, in compliance with the role covered within the corporate organization.

Consequently, the Recipients of this Model must not:

- use violence on things or use fraudulent means in order to impede or infringe the business activities related to industry or commerce and perform acts of competition with violence or threats;
- commit violent or intimidating actions or influence third parties' trade, industrial or production activities through forms of intimidation, in order to obstruct/remove competition;
- commit acts of unfair competition, and in particular, spread news and evaluations of the products and activity of a competitor, aimed at discrediting it, or embezzle the qualities of a competitor's products or enterprise; directly or indirectly use any other means in violation of the professional competition principles and suitable to damage other people's company;
- enter into agreements with other companies, in order to win tenders to the detriment of other competitors, or discourage or use any other fraudulent or violent means to persuade the competitors not to participate in tenders or not to submit competitive offers;
- sell or otherwise put into circulation, on national or foreign markets, industrial products with counterfeit or altered names, trademarks or distinctive signs, to the detriment of the national industry;
- maliciously deliver mobile objects in the place of another one or a mobile object having different origin, source, quality or quantity from the one declared or agreed on;
- put original works or industrial products on sale or, otherwise, put them into circulation with national or foreign names, trademarks or distinctive signs, aimed at lulling the purchaser on the origin, source or quality of the work or product;
- introduce into the State objects or other goods produced by seizing industrial property rights or violating them, keep them for sale, put them on sale with a direct offer to the consumers or, however, put them into circulation in order to obtain a profit from it;
- manufacture or use, in the industrial process, materials or other goods produced by seizing industrial property rights or violating them, being capable of knowing the existence of industrial property rights;
- forge or tamper with geographical indications or designations of origin of products, also in the food sector, in case of fragrances contained in cosmetic products;
- introduce into the Country, hold for sale, put on sale with a direct offer to the consumers or put into circulation products with forged indications and designations.

In turn, the Company shall implement the following general actions:

- properly inform its employees on the importance of complying with the regulations on industrial and trade activities, especially as regards the protection of the market and the consumers as concerns competition, fairness and truthfulness of the information about the products, as well as fair commercial practices;
- prepare procedures to check and approve the production cycles, the packaging and the commercial and advertising presentation of the products to be marketed, in terms of product authenticity, fairness and truthfulness of the presentation and communication conveyed to the consumer, as well as the compliance with third parties' properties and rights;
- prepare procedures to carry out commercial practices inspired by fair industrial and commercial activities on the market.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*bis*1 Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company itself.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.7.2 Specific behavior and organizational rules for preventing crimes against industry and commerce

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding the corporate activities potentially affecting the business area of competing companies, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;

- definition of guidelines which set, in an unequivocal way, the activities, roles and responsibilities about the management process; the clear and complete description of the data and news that each function must provide, as well as data processing criteria;
- the arrangement of a basic training program intended for all the organizational functions involved in the management of sensitive activities, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

As regards the behavior and organizational rules regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

Furthermore, the internal procedures included herein provide for the Company to perform the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- an appropriate level of formalization.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

This Model expressly prohibits all the Recipients, to the extent that is necessary for the performance of their duties, to commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25 bis.1 of Legislative Decree 231/2001).

As a consequence, this section of the Model obliges the above-mentioned entities to act in a proper, transparent and cooperative way, complying with the laws and the internal corporate procedures in all the activities aimed at managing the cosmetic product's creation and release on the market.

The Recipients of the Model must comply with the following general behavior principles:

- it is prohibited to commit acts which would cause goods to be manufactured and marketed:
 - using raw materials not compliant with the business regulations and/or with the product technical specifications;
 - with different characteristics from the ones shown to consumers on the product package or through advertising campaigns;
 - using brands, titles or designations of industrial property rights of third parties;
 - reporting sales names or invented names not corresponding to the actual origin, provenance or quality of the product with reference to its composition and/or presentation.

Specifically, it is forbidden to:

- purchase, sell and distribute products which have been altered in their composition, and therefore altered in their substantial characteristics or in their observation of the specific legislative requirements which regulate its composition;
- sell a product with different characteristics from what specified on the label (e.g. production place), misleading the final consumer about the product origin or provenance;
- produce and sell retail products whose quality is lower or different from what stated on the label.

In addition to the general behavior rules listed above, further operational control measures are listed below, in order to prevent the offenses referred to in this section of the Model; in the sensitive activities identified in the previous paragraph

the following acts are forbidden:

- violence against property, which happens every time it is transformed, damaged or its destination changed;
- use of fraudulent means (acts of unfair competition, art 2598 Italian Civil Code), such as:
 - misleading advertising;
 - disparaging advertising;
 - use of registered trademarks of others;

- parasitic competition;
- boycott;
- enticement of employees;
- refusal to deal;
- entering keywords which can be directly related to the person, company or product of a competitor in one's website source code.

While carrying out all the operations regarding the above-mentioned sensitive activities, all the Recipients of this Model, at different levels of responsibility and in relation with their tasks, must generally know and observe:

- 1) any further operational procedure issued by the Company;
- 2) the documents and the provisions about the corporate and hierarchical and functional structure and the management control system;
- 3) in general, the Italian and foreign legislation applicable. Specifically, the Recipients involved in the production, packaging and distribution functions, shall:
 - arrange and ensure checks on quality, provenance, characteristics and origin of the products released on the market;

The area of interest of the potential criminal conduct mentioned above is connected to the following sectors of corporate activities and competent functions: IT Systems / Staff and Organization/ Management and Finance / Operations / Supplies / Logistics (purchase/sale).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by the staff through a direct or indirect contact with conception, formulation, creation, production and release on the market of the corporate product.

3.8 Sensitive activities related to corporate offenses

The sensitive activities identified and applied to Angelini Beauty with Finaf S.p.A, considering the service contracts, in relation to the corporate offenses referred to under article 25-*ter* of Legislative Decree 231/2001, are the following:

- 1) communication to shareholders and/or third parties about the economic position, assets, liabilities or financial position of the Company (financial statements, consolidated financial statements, sub-annual balance sheets);
- 2) management of the relationships with the corporate bodies performing checks on the management and with the auditor/auditing firm;
- 3) communications to the Supervising Authorities and management of the relationships with them, including in case of verifications/inspections.

3.8.1 General behavior and organizational rules for preventing corporate offenses

While carrying out all the operations regarding the corporate management, the Employees and, as applicable, the Corporate Bodies must adopt and comply with the following:

1. the internal control system, therefore the business procedures, the documents and the provisions about the corporate and organization hierarchical and functional structure;
2. rules about the administrative, accounting, financial system and management control for joint-stock companies;
3. the Code of Ethics;
4. in general, the regulations applicable.

The Corporate Bodies (directly) and the employees and consultants of Angelini Beauty S.p.A. (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-ter of Legislative Decree 231/2001);
- break corporate principles and procedures provided for in this document.

Consequently, they must strictly comply with all the current laws, and in particular, must:

1. maintain a correct, transparent and collaborative conduct, in compliance with the law and the internal company procedures, in all activities concerning the preparation of financial statements and other company communications in order to provide the third parties with true and correct information as to the economic position, assets, liabilities or financial position of the Company;
2. strictly observe all the obligations imposed by the law to safeguard the integrity and consistency of the share capital, in order not to impair the interests of the creditors and third parties in general;

3. ensure the normal operations of the Company and the Corporate Bodies, guaranteeing and facilitating the adoption of any internal control procedure concerning the management of the Company, envisaged by the law, and to further ensure the unhindered and correct decision-making processes by the shareholders;
4. not make simulated operations nor spread false news on the Company and its subsidiaries;
5. provide in a timely and correct manner and in good faith, all the communications to the Supervising Authorities, and refrain from interposing any obstacles to the supervisory functions exercised;
6. each member of the Board of Directors, executive or employee of the Company to have been appointed by it to act as director in Group's companies or in any other company, must inform the other Directors and the Board of Statutory Auditors of the Company which is a director of, on any interest that it might have, on its own or third parties' behalf, in a certain operation of the Company, and specify its nature, terms, origin and extent; in case of members of the Executive Committee, they also have to keep from carrying out said operations and entrust them to the Board of Directors.

Within the above mentioned behaviors, it is especially forbidden to:

- with reference to point 1 above:
 - a) represent or transmit for processing or inclusion in financial statements, reports and prospectuses or other corporate communications, data that are false, incomplete or otherwise not reflective of the truth with regard to the economic position, assets, liabilities or financial position of the company;
 - b) omit data and information about the economic position, assets, liabilities or financial position of the Company, the disclosure of which is required by law;
- with reference to point 2 above:
 - c) return capital contributions to shareholders or release shareholders from conveyance obligations, except in the event of a lawful reduction of share capital;
 - d) distribute profits or advance payments of profits which have not yet been earned or which are required by law to be set aside as reserves;
 - e) purchase or underwrite own shares or stockholdings of subsidiaries, except in the cases provided by law, to the detriment of the integrity of the share capital;
 - f) execute reductions of share capital, mergers or demergers in violation of provisions of the law that protect the rights of creditors, causing damage to creditors;
 - g) fictitiously establish or increase share capital in order to allocate shares at less than their par value;

- with reference to point 3 above:
- h) engage in actions that, by hiding documents or using other fraudulent means, physically impede the implementation of control activities by shareholders, the Board of Statutory Auditors or the Auditing Firm;
- with reference to point 4 above:
- i) publish or divulge false information, execute fictitious transactions or engage in other fraudulent or deceptive acts involving the operating performance, financial position and financial performance of the company and its subsidiaries;
- with reference to point 5 above:
- j) fail to provide the Supervising Authority, in a sufficiently complete, clear and prompt manner, with all of the regular communications required by the applicable laws and regulations, or provide any other data or document that may be required pursuant to law or may have been specifically requested by the above-mentioned Authority;
- k) include in the above-mentioned communications and transmissions false information or hide facts that are significant with regard to the company's operating performance, financial position and financial performance;
- l) engage in conduct that in any way hinders public supervising authorities in the performance of their oversight and inspection function (e.g., outright opposition, refusal based on a pretext or simple obstructive behavior or lack of collaboration, such as delays in publishing communications or making documents available).

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.8.2 Specific behavior and organizational rules for preventing corporate offenses

In order to implement the rules listed in the previous chapter, in addition to the general principles contained in this Model, the specific procedures herein regarding each type of sensitive activity described below impose the compliance with the following reference principles as well.

3.8.2.1 Specific behavior and organizational rules for communication to shareholders and/or third parties about the economic position, assets, liabilities or financial position of the Company (financial statements, consolidated financial statements, sub-annual balance sheets)

The specific procedures contained herein regarding the communication to shareholders/third parties about the economic position, assets, liabilities or financial position, in line with the Group's provisions, provide for the Company to perform the following:

- activities, roles and responsibilities aimed drawing up financial statements, recording of the main corporate operations, asset management, budgeting;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management of accounts payable and receivable;
- proper splitting while carrying out the activities related to physical handling and accounting transactions, inbound and outbound, of the warehouse and to the order evaluation process (definition of the price list, allocation of discounts, methods or payment and deferrals, etc.);
- the clear and complete determination of the data and information which each department must provide, the data processing criteria, and the deadlines for delivery of such information to the functions responsible for drafting the financial statements;
- the clear and complete determination of the data and information which Angelini Beauty S.p.A. must provide, the accounting criteria for data processing, and the deadlines for delivery of such information to the Group's function in charge for the purpose of drafting the financial statements;
- the transmission of the data and information to the function responsible for drafting the financial statements and for sub-annual operating performance, financial position and financial performance, by means of an information system (also electronic) that permits the traceability of the individual steps and the identification of the people inserting data into the system;
- promptly make the draft financial statements available to the members of the Board of Directors as regards the Board meeting to approve the financial statements, as well as the judgment on the financial statements - or similar clear and analytical statement - by the auditing firm, all the above along with certificates proving that the draft mentioned above has been delivered;
- arrange at least one meeting between the auditing firm, the Board of Statutory Auditors and the Supervising Body before the Board of Directors session called to approve the financial statements, whose subject shall be said document, and draft its minutes;

- the communication to the Supervising Body of any assignment entrusted to the auditing firm or to companies connected thereto, which is different from the accounting check and/or the financial audit;
- the arrangement of a basic training program intended for all the organizational functions involved in the production of the information needed for drawing up Angelini Beauty financial statements and other documents connected, about the main legal fundamentals and judicial issues on the financial statements; the periodical attendance of said entities to the training programs must be documented properly.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.8.2.2 Specific behavior and organizational rules for managing the relationships with the corporate bodies performing checks on the management and with the auditor/auditing firm

The specific procedures contained below regarding the management of the relationships with the corporate bodies performing checks on the management and with the auditor/auditing firm provide for the Company to perform the following:

- a clear statement of the people in charge of receiving, collecting, consolidating and transmitting the data and information requested by the corporate bodies or the auditing firm, within the functions involved in the type of sensitive activity;
- the adoption of specific control systems that guarantee the origin and truthfulness and completeness of the data, also by means of comparing them with the data and information included in documents and/or deeds already notified to said entities;
- special meetings to share the transmitted data and/or information, in order to ensure that they can be understood by the people in charge of the checks and the obligation to record the decisions made;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- the obligation to provide all the data, information and documents requested by the auditing firm in the most complete, transparent, accurate and true manner;
- the availability to the Board of Statutory Auditors of all the documents on the management of the company for the regular checks and those concerning the items on the agendas of Meetings

and Meetings of the Board of Directors, or on which the Board of Statutory Auditors must provide for an opinion as per the law;

- the formalization of the results of the main meetings held with the auditing firm (for example; work opening and closing meetings).

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.8.2.3 Specific behavior and organizational rules for communicating with the Supervising Authorities and managing the relationships with them, including in case of verifications/inspections

The procedures contained herein provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering and consolidating data, drafting and transmitting communications to the Supervising Authorities;
- the use of specific control systems that guarantee the origin and truthfulness, completeness and correctness of the data, also by means of comparing them with the data and information included in documents and/or deeds already notified to other entities, until the final approval of the communication by the Executive Committee;
- in case of inspections, the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.8.2.4 Specific behavior and organizational rules for preventing offenses of corruption between private parties and instigation to corruption between private parties

In order to implement the described rules, in addition to the principles included in this Model, when adopting the specific procedures regarding each type of sensitive activity described, the following reference principles shall be complied with as well.

The specific procedures regarding the creation, marketing and advertising of the product must report:

- activities, roles and responsibilities;
- guidelines defining, in an unequivocal way, the activities, roles and responsibilities about the management process;
- clear and complete description of the data and news that each function must provide, as well as data processing criteria;
- the arrangement of a basic training program intended for all the organizational functions involved in the management, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, internal procedures must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

The types of activities deemed as sensitive in connection with offenses concerning corruption between private parties and instigation to corruption between private parties pursuant to article 25-ter of Legislative Decree no. 231/200, which involves all functions, are listed below:

- purchase of goods, services, procurements and advisory;
- staff hiring;
- drawing up of financial statements and record keeping;
- financial flows;
- gifts;

- organization of events and fairs;
- staff management, incentive and development system;
- entertainment and hospitality expenses;
- sponsorships and advertisement;
- management of la provider affairs representatives/agents;
- dealing with related parties.

It shall remain understood that the Company signs each contract after having selected its counterparts and making sure that they have proven experience, professionalism and sound ethical principles. The contracting parties shall also be given proper information on the principles and values to which the Company inspires; said parties shall also be contractually bound to use the best qualified professional diligence when fulfilling its obligations.

Each employee of the Company shall carry out their job by strictly complying with all the internal regulations and procedures as well as the Code of Ethics, irrespective of the fact that failing to do so may constitute one of the corruption crimes under the Decree, even in the abstract. Specific provisions are included in the paragraph below as regards the single potential activities at risk.

In order to prevent private corruption and instigation to private corruption crimes, all the Company's employees shall comply with the following rules:

(i) it is expressly forbidden to give, promise or offer and/or exhort and/or propose and/or ask third parties to promise and/or to offer and/or to propose, including through intermediaries, money, properties or other types of benefits in order to obtain actions that are against official duties or professional activity duties and/or trust and loyalty duties towards the company in which the individual works (including the omission of acts which should have been performed in accordance with the official and professional duties or with the duty of loyalty);

(ii) any corruption practice is forbidden, with no exceptions whatsoever: in particular, it is forbidden to exhort, receive, demand, give, promise and offer, directly or indirectly, any type of rewards, gifts, economic benefits or other types of benefits from or to a private entity and/or the entity he/she represents directly or indirectly, that:

a. exceed the moderate amount and the reasonable limits of courtesy practice as an act of spontaneous donation and, anyway,

b. are likely to be interpreted as intended to illegally influence the relationships between the Company and the subject, regardless of the purpose of pursuing, even exclusively, the Company interest or advantage.

(iii) no unofficial payments, including through intermediaries, are allowed in order to speed up, enhance or ensure the performance of a routine activity or an activity that falls under the obligations of the private entities with which the Company deals.

(iv) no service may be imposed, proposed, exhorted or accepted if the only way it can be provided is by breaching the values and principles of the Code of Ethics or the internal rules and/or procedures.

(v) the Company's consultants and/or agents shall read the Company's Model and the Code of Ethics and accept to comply with the provisions therein; also, contract/purchase orders with them shall contain the disciplinary/contractual penalties to be applied in case of breach of the Organization Model provisions;

(vi) provide for collection methods allowing to always identify the subject which has ordered the transaction toward the bank;

(vii) make payments to encrypted accounts or accounts whose owner's details cannot be clearly identified

(viii) fees and commissions shall not be paid to agents, commercial partners, co-workers, suppliers, consultants or public entities to an extent not consistent with the services rendered to the Company and/or and not conforming to the work commissioned, which must be evaluated according to criteria of reasonableness and by reference to the terms or practice existing on the market or determined by tariffs;

The conducts listed above are also prohibited if the acts or omissions that are against official or professional and/or loyalty duties do not cause damage to third parties and/or benefit to the Company.

For the functions concerned, the roles and responsibilities shall be clearly defined, in order to ensure their splitting while carrying out the activities related to the management of financial flows, especially the following:

- payments to suppliers/consultants (recording the supplier's invoice, endorsing payment, check for the presence of the payment endorsement, authorization of payments); or
- petty cash movements; or

- requests of refunds or advance money in case of travel; or
- staff costs (preparation and verification of calculations and payment); or
- collection of invoices receivables.

3.8.3 Other rules aimed at preventing general corporate offenses

The following integration measures shall be adopted as well:

- activation of a regular education and training program for the relevant staff on *Corporate Governance* rules, internal control and Corporate Crimes;
- provision for regular meetings among the Board of Statutory Auditors, the Supervising Body and the people responsible for the individual corporate areas/functions, in order to make sure that the corporate regulations and Corporate Governance rules are complied with;
- transmission to the Board of Statutory Auditors of all the documents related to the items on the agendas of General meetings or meetings of the Board of Directors, or on which the Board must provide for an opinion as per the law;
- formalization and/or update of internal regulations and procedures regarding the compliance with the corporate regulations;
- definition of a formalized system which regulates the profiles for access to the corporate IT systems by the staff, the roles covered and the qualification profile assigned;
- definition of a *policy* on the storage/destruction of data and documents, as well as the so-called *disaster recovery* computer procedures for the storage and recovery of electronic data.

The integration measures above must be complied with even during the activities performed while executing and providing services to third parties.

3.9 Sensitive activities related to crimes with terrorist purposes or designed to overthrow the democratic order

Below are listed the types of activities deemed sensitive due to the transnational nature of the corporate activities, including the scope of service contracts to third parties or associated companies, with regard to crimes with terrorist purposes or designed to overthrow the democratic order as per article 25-*quater* of Legislative Decree no. 231/2001:

- management of intergroup relationships;
- management of national and foreign financial flows and investments;

- management of sales;
- management of purchase of goods and services;
- staff selection.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The area of interest of the potential criminal conduct mentioned above is therefore connected to the following sectors:

- administrative / financial (Administration / legal);
- commercial (Purchase/sale, legal);
- relationships within the group (Administration / legal);
- management of financial flows and investments (Administration)
- Human resources (Staff).

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the preparatory corporate activities or with indirect contacts with the management of the sensitive activities provided.

3.9 Bis Sensitive activities in relation to the crimes of illicit brokerage and exploitation of labor.

With reference to the general remarks exposed in the introduction about the identification of the abstract boundary of the offense above, the sensitive activities identified and applied in relation to the crimes of illicit brokerage and exploitation of labor referred to in art. 25-quinques of Legislative Decree 231/2001 are the following:

- staff management;
- social security and contribution payment management

Today, the offense herein affects whoever “uses, hires or employs labor, while subjecting the workers to conditions of exploitation and taking advantage of their state of need”.

The legislator extends the application of the so-called “exploitation rates” provided for in art. 603 bis., Criminal Code.

These parameters include the repeated violation of regulations on salary, holidays, working hours, rest periods and leaves, or the repeated violation of regulations on occupational health and safety.

It is forbidden to do the following:

- i) repeated payment of remunerations in clear violation of national or local collective bargaining agreements signed by the most representative trade unions on a national level, or disproportionate to the quantity and quality of the job done;
- ii) repeated violation of regulations on working hours, rest periods, weekly rest, mandatory leave, holidays;
- iii) breach of occupational health and safety regulations;
- iv) force workers under degrading labor conditions, surveillance methods and accommodation.

As a consequence, in addition to the requirements related to staff selection and management, the following statements shall be taken into account:

- No employment, collaboration, internship training or voluntary relationship shall take place in the absence of a specific formalization undersigned by the people concerned and the representatives appointed by Companies.
- Specific regulations provided for the workers employed shall always be applied (National Labor Collective Agreement, national law, European regulation).

3.9.1 General behavior and organizational rules for preventing crimes with terrorist purposes or designed to overthrow the democratic order

While carrying out all the operations relating to purchase of goods and services, management of sales, intergroup relationships, financial flows and investments and staff selection, the Employees and the Corporate Bodies, as relevant to them, must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*quater* of Legislative Decree 231/2001);

➤ break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

The above-mentioned subjects must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at managing the management stages concerned which are connected to the performance of their work, in compliance with the role covered within the corporate organization.

Consequently, the Recipients of this Model must not:

- receive funds from sentenced entities, or companies or organizations which have been proved liable for carrying out terrorist activities or activities designed to overthrow the public order, whether they are companies established under the Italian law or foreign laws;
- donate money (including as purchase of shares or stocks) to sentenced entities, or companies or organizations which have been proved liable for carrying out terrorist activities or activities designed to overthrow the public order;
- entrust assignments to consultants or partners, both Italian and foreign, who have been found guilty of carrying out terrorist activities or activities designed to overthrow the public order;
- make negotiations with or, in general, keep business relationships with Italian and international third parties, included in counter-terrorism *blacklists*;
- make negotiations with or, in general, keep business relationships with third parties (meaning individuals or legal persons outside the corporate organization) residing or having their headquarters in a Country which is included in the list of the countries not considered as cooperative by the Financial Action Task Force ("FAFT") against money laundering.

In turn, the Company shall implement the following general actions:

- properly inform its employees on the importance of taking care of complying with counter-terrorism regulations;
- prepare procedures to formalize the steps to follow while managing the relationships with the suppliers and third parties in general, intergroup relationships, especially as regards financial flows or flows of goods coming from areas or entities which reliability procedures must be implemented for;
- prepare appropriate procedures for staff selection, especially as regards the identification of the negative employment requirements connected to the ascertained liability for (or connections with) terrorist activities or activities designed to overthrow the public order.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures

provided in order to prevent the offenses referred to in article 25-*quater*, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The function involved in the provision of services to associated companies must also promptly inform the Supervising Body of the associated companies to which the warning relates.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.9.2 Specific behavior and organizational rules for preventing crimes with terrorist purposes or designed to overthrow the democratic order

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding the activities concerning purchase of goods and services, sales, intergroup relationships, management of financial flows to and from abroad, and staff selection, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management of sensitive activities, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

As regards the behavior and organizational rules regarding the communications addressed internally to the OdV and externally to Supervising Authorities, as well as the management of the relationships

with said Authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the use of appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

Furthermore, the internal procedures herein are characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

In order to further specify the behavior rules mentioned above, the Company establishes the following:

1. the obligation to check corporate documents for legal origin and keeping;
2. the obligation to check funds / financial flows for legal origin, by asking the competent functions to provide the related documents;
3. in case of money grants to individuals, companies or organizations, both Italian and foreign, as well as the purchase of shares or stocks in national or foreign legal entities, the need for checking the seriousness and professionalism of the recipient, as well as the need for making sure that no negative requirements exist as concerns the involvement in actions connected to terrorist activities or activities designed to overthrow the democratic order;
4. before entrusting consultants and partners with an assignment, the obligation to gather information on the seriousness and professionalism of the person to be appointed

- (references, CV, etc.), as well as their integrity requirements, by picking consultants enrolled in the appropriate professional associations;
5. as regards contractual relationships in general, the implementation of a special procedure through which the minimum requirements of the offering entities can be established, and the assessment criteria of their offers can be fixed;
 6. in the contractual relationships, in particular, the provision of transparency clauses and consequent express termination clauses in case of breach by the third party contractor due to failure to communicate the lack or the change of the conclusion requirements, if the liability for terrorist activities or activities designed to overthrow the democratic order has been ascertained;
 7. the obligation to ensure transparency and traceability of the agreements/joint ventures with foreign enterprises in order to make investments.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.10 Market abuse

With reference to the general remarks exposed in the introduction about the identification of the abstract boundary of the offense above, the sensitive activities identified and applied to Angelini Beauty, as regards the relationships resulting from service contracts, in relation to market abuse and manipulation offenses referred to in article 25-*sexies* of Legislative Decree 231/2001, are the following:

- management of communications by the Company to the outside;
- management of privileged information;
- management of extraordinary operations;

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by Directors, Staff or third parties which can possibly affect the management of sensitive activities.

In particular, the following activities are identified:

- management of accounting and related recording and documentation;

Therefore, each stage of the management of privileged information, which as such is not disclosed to the public, possessed by Directors, Managers or Employees of the Company in relation to their task or function, becomes relevant as a risk area.

Said information is about the company structure and the shareholders, especially designing, executing, developing changing processes, such as company mergers, acquisitions and reorganizations, even through shareholdings, acquisitions and sales of company branches, investment plans, strategic goals, budgetary forecasts, relevant changes to the management, capital increases, financial stress and the like.

Therefore, sensitive activities shall include company transactions regarding financial instruments that are listed or held by the public, with regard to the potential creation of minimum price thresholds by placing orders for that purpose, to any intention to hide the ownership of financial instruments, even with the help of intermediaries or companies in collusion, and to the attempt to restrict the market by demand/supply influencing subjects through abuse of dominance and the like.

3.10.2.1 General behavior and organizational rules for preventing market abuse

While carrying out all the operations regarding the corporate management, the Employees and, as applicable, the Corporate Bodies must adopt and comply with the following:

1. the internal control system, therefore the business procedures, the documents and the provisions about the corporate and organization hierarchical and functional structure;
2. rules about the administrative, accounting, financial system and management control for joint-stock companies;
3. the Code of Ethics;
4. in general, the regulations applicable.

The Corporate Bodies (directly) and the employees and consultants of Angelini Beauty (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25 *sexies* of Legislative Decree 231/2001);
- break corporate principles and procedures provided for in this document.

Therefore, for those company entities that, due to their position or function, come into possession of privileged information about Angelini Beauty or the Group's companies, it is strictly forbidden to

make any type of transaction on financial instruments using said information, or disclose it to third parties, other than what is naturally needed for the business.

Similarly, it is absolutely forbidden for the same individuals to disclose untrue news about the Company and on the Group's companies or employ fictitious devices or any other form of deception or contrivance to cause the price of financial instruments to be altered.

The Recipients of this Model must strictly comply with all the current laws, and in particular, must:

- maintain a correct, transparent and collaborative conduct, in compliance with the law and the internal company procedures, in all corporate activities in order to provide the third parties with true and correct information as to the economic position, assets, liabilities or financial position of the Company;
- provide in a timely and correct manner and in good faith, all the communications to the Supervising Authorities, and refrain from interposing any obstacles to the supervisory functions exercised;
- each member of the Board of Directors, Executive or Employee to have been appointed to act as Director in Group's companies or in any other company, must inform the other Directors and the Board of Statutory Auditors of the company which is a Director of, on any interest that it might acquire or keep, on its own or third parties' behalf, in a certain operation of the company, and specify its nature, terms, origin and extent; in case of members of the Executive Committee, they also have to keep from carrying out said operations and entrust them to the Board of Directors.

Within the above mentioned behaviors, it is especially forbidden to:

- represent or transmit for processing or inclusion in financial statements, reports and prospectuses or other corporate communications, data that are false, incomplete or otherwise not reflective of the truth with regard to the economic position, assets, liabilities or financial position of the company;
- omit data and information about the economic position, assets, liabilities or financial position of the Company, the disclosure of which is required by law;
- engage in actions that, by hiding documents or using other fraudulent means, physically impede the implementation of control activities by shareholders, the Board of Statutory Auditors or the Auditing Firm;
- publish or divulge untrue information, execute fictitious transactions or engage in other fraudulent or deceptive acts involving the operating performance, financial position and financial performance of the company and its subsidiaries;
- fail to provide the Supervising Authority, in a duly complete, clear and prompt manner, with all of the regular communications required by the applicable laws and regulations, or provide any

other data or document that may be required pursuant to law or may have been specifically requested by the above-mentioned Authority;

- include in the above-mentioned communications and transmissions false information or hide facts that are significant with regard to the company's operating performance, financial position and financial performance;
- engage in conduct that in any way hinders public supervising authorities in the performance of their oversight and inspection function (e.g., outright opposition, refusal based on a pretext or simple obstructive behavior or lack of collaboration, such as delays in publishing communications or making documents available).

In order to prevent market abuse and manipulation offenses, including in association, it becomes really important that the Recipients of the Model comply with the behavior and specific rules under this Model as regards corporate offenses.

The behavior and organizational rules as defined above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.10.2.2 Specific behavior and organizational rules for preventing market abuse

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding the sensitive activities above, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management of sensitive activities, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

The Company shall take actions in order to have the documents on privileged information filed and stored to protect their confidentiality and appoint a person responsible for this and set the rules for access, which has to be justified and traced.

As regards the behavior and organizational rules regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- in case of inspections, the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

Furthermore, the internal procedures herein must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

In particular, the Recipients of this Model must not:

- omit data or information in the mandatory communications about the economic position, assets, liabilities or financial position of the Company and the Group's Companies;
- disclose through any media misleading rumors or news in connection to financial tools;
- give interviews to the press or make public statements on relevant and confidential facts or circumstances about the Company and the Group's Companies, without prior approval by the competent internal control functions.

The behavior and organizational rules mentioned above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*sexies*, Legislative Decree 231/2001, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

3.11 Sensitive activities related to offenses of manslaughter or assault causing severe, or very severe, injury, committed in breach of the provisions on the protection of occupational health and safety

The general principles of the Code of Ethics are based on the enhancement of human resources and the environment, and the guarantee of the integrity, also physical, of the workers, employees and third parties that contribute or anyhow participate in performing the corporate activity.

Angelini Beauty considers any conduct which may directly or indirectly cause even a potential prejudice to said values as contrary to its interest and therefore rejects any conduct that bypasses the corporate procedures and the regulations on occupational health and safety; it expressly declares that said conducts do not result in any advantage for the Company. On the contrary, they compromise its ideals and assets, considering that one of the expressed purposes of the company is the improvement and increase of the skills of each employee and collaborator.

In order to pursue the concrete achievement of said goals, all the above was taken into account when arranging the disciplinary system provided for in this Model.

Having also taken into account Angelini Beauty's corporate purpose, and having considered the service contract purposes, by virtue of which Finaf S.p.a. provides specific services to Angelini Beauty, this Model includes the types of sensitive activities in relation to manslaughter or assault causing severe or very severe injury, committed in breach of the provisions on the protection of occupational health and safety as per article 25-*septies* of Legislative Decree no. 231/2001.

First of all, it is not possible to exclude any operational area of the Company from the list of sensitive activities in an *ex ante* evaluation, since the relevant prejudicial conducts for the purposes of the predicate offenses above may occur in each company sector where provisions on safety and health at the workplace may potentially be violated.

As a consequence, the potential areas at risk identified by the Company in relation to said offenses involve all the activities carried out at the Company's facilities, especially as regards the administrative offices and offices where the Company's activity is developed. Furthermore, all the activities performed by external staff are considered areas at risk (e.g. service providers as per contracts for the supply of goods and services).

Special attention must be paid to those activities carried out in association with partners or in joint venture, or by the stipulation of contracts for the supply of goods and services or with consulting firms or independent professionals, whose interferences must be evaluated individually.

The activities mentioned above are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities carried out by the staff or third parties through a physical direct or indirect contact with the assets and the places pertaining to the company, including the mere presence and activity at the workplace.

As regards the management of the fulfillments concerning safety and health at the workplace, the following activities are established:

- assessment of the compliance with the technical and structural standards provided by law relating to equipment, plants, workplaces, chemicals, physical and biological agents;
- assessment of the risks and arrangement of the consequent preventive and protective measures;
- activities of an organizational nature (e.g. emergencies, first aid, contract management, periodic meetings concerning safety matters, consultation with the workers' safety representatives);
- healthcare surveillance;
- information and training to the workers;
- supervisory activity, in regard to the observance by the workers of the occupational safety procedures and instructions;
- procurement of the documentation and certification prescribed by the law;
- periodic verification of the application and effectiveness of the procedures adopted.

Additionally, also the following activities can be considered relevant:

- assessment of risks resulting from the interactions between different activities and arrangement of the related organizational plans;
- relationships with supervising and control Bodies;
- observance of the provisions by the activities' authorizations or of inspections' outcomes.

In this Model, the factors reported in Risk Assessment Documents (hereinafter also RAD) of production facilities within the Company's business must be fully referred to, considering that said documents do not fully cover the procedures provided for, which are aimed at making up the overall occupational safety management system by complying with the principles set out by the UNI - INAIL Guidelines and by the OHSAS 18001 British Standard, in accordance with article 30 of Legislative Decree 81/2008.

3.11.1 General behavior and organizational rules for preventing manslaughter or assault causing severe, or very severe, injury, committed in breach of the provisions on the protection of occupational health and safety

While carrying out all the operations regarding the sensitive activities in relation to accident prevention, the Employees and the Corporate Bodies, as relevant to them, must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

Generally, the organization system of Angelini Beauty S.p.A. must comply with the fundamental requirements of formalization and clearness, communication and separation of roles, especially for what concerns the assignment of responsibility, representativeness, definition of the management hierarchy and of the operational activities.

The Company must have organizational instruments (organizational charts, organizational communications, procedures, etc.) inspired to general principles of:

- clear description of reporting lines;
- openness, transparency and accessibility of the powers granted (within the company and towards the third parties concerned);

- clear and formal delimitation of roles, with complete description of each function, its powers and responsibilities;
- subdivision of the areas of responsibility, by means of appropriate delegations of functions, with the following limits and conditions:
 - appropriate identification of the vocational and expertise requirements needed for the specific nature of the functions entrusted;
 - written formalization and public availability of the conferral and acceptance of the delegation;
 - conferment upon the person appointed of the power of expenditure needed for the delegated functions;
 - permanent employer's general supervision obligation limited to the proper fulfillment by the delegates of the functions appointed to them.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*septies* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

Consequently, the above-mentioned entities must strictly comply with all the current laws, and in particular, act in a proper, transparent and cooperative way, as well as behave diligently, competently and prudently, in compliance with the law and the internal company procedures, in all the corporate activities.

The Company commits to guarantee an appropriate working environment in terms of personal safety and health also through adequate investments in plants and machinery in order to improve safety standards.

In general, the Company shall implement the following general actions:

- properly inform its employees on the importance of complying with the regulations on occupational health and safety;
- arrange appropriate procedures aimed at preventing conducts breaching the regulations referred to above.

The entities involved in the performance of the above-mentioned activities must comply with all regulations on accident prevention, protection of occupational health and safety, in order to contribute to keeping a healthy and safe working environment.

It is expressly forbidden to commit or cause the commitment of violations of behavior principles, protocols and corporate procedures. The entities involved in the performance of the above-mentioned activities must comply with accident prevention and protection measures adopted by the Company and inform the Protection and Prevention Service Manager on any anomalies and/or malfunctions arising during their use. Furthermore, they must diligently attend training and education sessions on the specific risks related to the tasks they have been assigned by the Company. The entities involved in the performance of the above-mentioned activities must inform the Protection and Prevention Service on any clearly risky situations concerning the activities carried out by consultants, partners, suppliers in compliance with a contract for the supply of goods and services working at the Company's facilities.

It is expressly forbidden to use contracted services without having signed proper contracts, or enter into or renew any contracts for the supply of goods or services with consultants, partners and suppliers in general working at the Company's facilities, failing to comply with social security and contribution requirements.

As concerns the noncompliance with laws on protection of safety and health of workers which can result in damages in one of the sensitive areas mentioned above, the Company shall comply with the following lines of action:

- a) establishes the policies on occupational health and safety aimed at defining the general commitments taken for risk prevention and the increasing improvement of health and safety;
- b) identifies and implements the provisions laid down by the law and regulations applicable on issues regarding occupational health and safety;
- c) identifies and assesses risks for all categories of workers, especially as regards drafting and updating of:
 - Risk Assessment Document (DVR);
 - contracts for services and goods;
 - assessment of the risks resulting from interferences;
 - in case the Company is a constructing company, Safety and Coordination Plans, Work file and Safety Operational Plans;
- d) sets the goals in compliance with general commitments defined in the policies referred to in point a) and drafts the plans to achieve said goals, by establishing priorities, times and the

attribution of the respective responsibilities - including the allocation of the necessary resources - on occupational health and safety, especially as regards the following:

- assignment of tasks and duties;
- activities of the Protection and Prevention Service and the Company Physician;
- activities of all the other entities in charge of implementing the measures on health and safety for workers;

e) raises awareness of the whole corporate structure, at all levels, in order to make sure that the goals set have been achieved, including by means of scheduling training plans, especially as regards the following:

- monitoring, frequency, use and learning;
- differentiated training for entities exposed to specific risks;

f) implements appropriate monitoring, check and inspection activities in order to ensure the effectiveness of the above mentioned workplace health and safety management system, especially as concerns the following:

- keeping and improvement measures;
- management, adjustment and inhibition of the behaviors in breach of the rules, also through the adoption of the disciplinary actions provided;
- consistency between the activity carried out and skills;

g) implements the necessary corrective and preventive actions according to the monitoring outcomes;

h) regularly examines the workplace safety and health protection system for effectiveness in achieving the goals set, as well as for adequacy as regards both the specific current situation of the Company and any changes in the activities.

The policies on safety and health at the workplace adopted shall be applied to the activities carried out by the Company and must be aimed at describing the principles inspiring every corporate action and which shall be complied with by every Recipient according to his/her role and the responsibilities taken within the Company, in order to ensure safety and health to all workers.

Said policies, in compliance with UNI-INAIL standards, include:

- a clear definition of the responsibility of the whole corporate organization, from the Employer to the single worker, in managing the safety and health at the workplace, each of them according to their functions and responsibilities;
- the commitment to considering the health and safety system as an integral part of the corporate management, which the Recipient must be aware of;

- the commitment to constant improvement and prevention;
- the commitment to providing the necessary human and financial resources;
- the commitment to making sure that the Recipients, within their functions, are aware and trained to carry out their tasks in compliance with health and safety protection rules and to take on their responsibilities on issues regarding occupational health and safety;
- the commitment to involving and consulting the workers, including through the Workers' Health and Safety Representative;
- the commitment to regularly reviewing the safety and health policies adopted and the relevant management system implemented in order to make sure they are constantly appropriate to the Company's organizational structure, as well as in compliance with the current laws, including regulations, on this issue;
- the commitment to setting and spreading the goals of Occupational Health and Safety within the Company and the plans to implement them.

Policies are reexamined on a regular basis according to the system monitoring outcomes and pursuant to the scheduling of health and safety goals.

The re-examination, whose outcome must result in changes in the policies mentioned above, may also be carried out after any event or situation that make it necessary.

The Company shall regularly:

- set the goals aimed at maintaining and/or improving the system;
- establish the assessment criteria appropriate to prove that the goals have been achieved;
- prepare a plan to achieve each goal, to identify the profiles/entities involved in the implementation of the above mentioned plan and the assignment of the relevant tasks and responsibilities;
- define the necessary resources, including economic resources, checking their adequacy with regard to their employment and the achievement of goals through the assignments of the previous year and arranging any needed adaptation or implementation of these resources;
- provide for the procedures for periodic monitoring and the final evaluation of the actual and effective achievement of the goals through the verification of the finalization of the use of resources allocated to the appropriate functions.

The assessment carried out pursuant to the policies on safety and health at the workplace, shall be completed by the goals regarding information and training of the workers, communication of the policies, goals and procedures, the activities' documents as well as the keeping of their relevant data and, finally, the monitoring of the solidity and effectiveness of the system of measures aimed at protecting the occupational health and safety.

The Company shall provide the workers with easy-to-understand information that allows them to gain the necessary awareness on the following:

consequences resulting from carrying out their activity not complying with the workplace health and safety system adopted by the Company;

their role and responsibilities on each of them and the importance to act in compliance with corporate policies and the procedures regarding occupational health and safety, as well as the principles described in this Special Section.

Considering the above, according to the different roles, responsibilities and skills and the risks the staff is exposed to, the Company must fulfill the following information duties:

- it must provide the Employees and the newly-hired workers (including temporary workers, interns, and so on) with appropriate information about the specific risks of the company, on the consequences of said risks and the preventive and protective measures adopted;
- the information related to the management of first aid, emergency, evacuation and fire prevention must be shown and any meetings must be recorded;
- the Employees and the newly hired people must receive information about the appointment of the Health and Safety Manager, the Company Physician and the other people in charge of specific tasks of first aid, rescue, evacuation and fire prevention;
- the information and instructions for the use of work equipment available to the Employees must be formally documented;
- the Health and Safety Manager and/or the Company Physician must be involved in defining said information;
- the Company must organize regular meetings among the functions in charge of safety at the workplace;
- the Company must consult the Workers' Safety Representative (RLS) when organizing risk identification and assessment activities, when appointing those the people in charge of fire prevention, first aid and evacuation.

All the information mentioned above must be documented.

The Company shall provide all the employees with appropriate information on safety at the workplace, taking into consideration the following instructions:

- the Health and Safety Manager and/or the Company Physician must participate in the drafting of the training plan;
- the training provided must include evaluation questionnaires;
- the training must be appropriate to the risks of the tasks that are actually assigned to the workers;

- a specific training plan must be developed for those workers who are exposed to serious and direct risks;
- the workers who change jobs or are transferred must be provided with preventive, additional and specific training, as well as must be preventively considered suitable by the Company Physician in case of works involving specific risks;
- the people assigned to specific prevention and protection duties (fire prevention, evacuation, first aid) must be provided with appropriate training;
- the Company must perform periodic evacuation exercises which must be recorded (documented report on the evacuation exercise carried out with reference to the participants, performance and results).

All the training activities mentioned above must be documented, also through special recording, which shall be accessible to the Recipients, and must be repeated regularly.

In order for the organization system adopted to be more effective in managing safety and therefore preventing accidents at the workplace, an appropriate level of circulation and sharing of information among all the workers must be ensured.

Therefore, the Company shall adopt an internal communication system providing for two different types of information flows:

- from bottom to top: it is guaranteed through dedicated report cards to be filled in by workers so to have the opportunity to inform the direct supervisor on one's own observations, proposals and requirements of improvements related to the management of occupational health and safety;
- from top to bottom: it is aimed at spreading among all workers the knowledge of the system adopted for the management of occupational health and safety.

To this end, the Company guarantees to all company staff (the Directors, Managers, members of the Board of Statutory Auditors and the Employees of the Company) an adequate and constant information through the preparation of releases to be spread internally and through the organization of regular meetings on the following:

- new risks on Workers' health and safety;
- changes to the organizational structure adopted for the management of workers' health and safety;
- contents of the corporate procedures adopted for the management of workers' health and safety;
- any other aspect related to health and safety of the workers.

The Company shall keep the following documents on electronic media and on paper:

- the medical record, which must be created and updated by the Company Physician and kept by the Employer;
- the register of accidents;
- the Risk Assessment Document;
- in case the Company is a party in construction works contracts, the documents related to contracts, the Safety and Coordination Plan, the Work file, the coordination records concerning the verification that contracting companies have implemented the provisions of the Safety and Coordination Plan, and to Safety Operational Plans.

The Company must also ensure the following:

- the formal appointment of the Health and Safety Manager and the Company Physician, in charge of implementing emergency and first aid measures;
- documented evidence of the visits carried out jointly by the Health and Safety Manager and the Company Physician;
- the adoption and updating of the register of files of occupational diseases reporting the date, disease, medical certificate's date of issue and date when the file was forwarded;
- the keeping of the documents relating to laws, regulations, accident prevention rules concerning the corporate activity;
- the keeping of the documents concerning corporate regulations and agreements;
- the keeping, also in Italian, of the manuals and instructions for use of the machinery, equipment and personal protective equipment supplied by manufacturers;
- the keeping of any procedure adopted for the management of occupational health and safety;
- the keeping, by the Health and Safety Manager, of all the documents concerning information and training activities and its availability to the Supervising Body.

The Company must ensure continuous and effective monitoring of the system for the management of occupational health and safety.

For this purpose, it:

- ensures a constant monitoring of preventive and protective measures prepared for the management of health and safety at workplaces;
- ensures a constant monitoring of the adequacy and functionality of health and safety management system to achieve the goals set and its proper application;
- performs in-depth analysis with regard to any accident occurred at the workplace, as well as any malfunctioning occurred which did not result in any accident, in order to identify any gaps in the management system of health and safety and to identify any corrective actions to undertake.

In order to properly carry on the monitoring activity described above, the Company, should the specific field of intervention require it, shall rely on external resources with a high level of specialization.

Any additional corrective measure shall be arranged as soon as possible.

Once the monitoring is completed, the system adopted for the management of health and safety of the workers shall undergo an annual re-examination by the Employer, in order to make sure that it is properly implemented and guarantees the set goals to be achieved.

The above-mentioned re-examination and its outcomes shall be proven through documents.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*septies* Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.11.2 Specific behavior and organizational rules for preventing manslaughter or assault causing severe, or very severe, injury, committed in breach of the provisions on the protection of occupational health and safety

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding accident prevention at the workplace, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide

- the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the system management and in the data processing, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be properly documented.

Furthermore, internal procedures must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

As regards the behavior and organizational rules above regarding the communications addressed internally to the OdV and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

Since, as regards occupational health and safety, the Company has adopted an organizational structure so as to make sure it complies with the needs provided for in the current regulations as referred to in Legislative Decree 81/2008 as amended, in order to eliminate or contain the risks for the workers, the specific behavior rules refer to the different positions within the structure.

The “employer” is entrusted with all the obligations on occupational health and safety, including the following duties which cannot be empowered:

1) evaluate all the risks to the workers' safety and health, also when choosing work equipment, personal protective equipment, as well as the layout of the workplaces, including those pertaining to groups of workers exposed to particular risks (e.g. risks related to differences in gender, age, origin from other Countries);

2) elaborate, at the end of the assessment, a Risk Assessment Document with firm date (DVR to be kept at the company) containing:

- a report on the risks to health and safety during the work, specifying the criteria adopted for the assessment;

- the identification of the preventive and protective measures as well as the personal protective equipment adopted following the risk assessment mentioned above;

- the program for the implementation of the measures considered necessary to progressively ensure the improvement of safety levels;

- the identification of the procedures for adopting the measures to implement as well as the roles within the corporate organization in charge of this;

- the name of the Head of the Protection and Prevention Service (hereinafter RSPP), the Workers' Safety Representative (hereinafter RLS) and the Company Physician who took part in the risk assessment;

- the identification of the tasks that may possibly expose the workers to specific risks which require recognized professional skills, specific expertise, proper education and training.

The assessment activity and the drafting of the document must be carried out in collaboration with the RSPP and the Company Physician. The risk assessment shall be preventively discussed with the Workers' Safety Representative and shall be repeated if important changes to the production process occur, to ensure workers' health and safety;

3) appoint the RSPP.

The Employer is entrusted with additional duties which he/she can empower to qualified people. Said duties, which are provided for in the safety regulations, involve the following, among other things:

a) appointing the Company Physician to carry out Health Surveillance;

- b) designating the workers responsible for the implementation of the measures for fire prevention and fire fighting, evacuation of the workplaces in the event of serious or direct danger, rescue, first aid and emergency management in general;;
- c) providing the workers, in agreement with the RSPP and the Company Physician, with the essential and appropriate personal protective equipment;
- d) introducing appropriate measures to ensure that only the workers who have received appropriate information and specific training can access those areas that expose them to serious or specific risks;
- e) fulfilling information, education and training obligations;
- f) communicating to the competent Entities the data on accidents at the workplace;
- g) calling the regular meeting provided for in the safety regulations;
- h) updating the preventive measures according to organizational and production changes which are significant in regard to occupational health and safety, or according to how technically evolved prevention and protection are;
- i) guaranteeing the safety of materials, electrical systems and equipment and making sure that buildings, systems and equipment are properly protected against lightnings and other electrical discharges.

In relation with said duties, and to any other duty entrusted to the Employer which he/she can empower pursuant to the above mentioned regulations, the delegation of authority above is allowed, within the limits and conditions which have already been described, and more precisely:

- it shall result from written deed reporting expressed acceptance and firm date;
- the appointed person shall comply meets all professionalism and expertise requirements required by the specific nature of the delegated functions;
- it shall give the delegated person all the organizational, management and control powers required by the specific nature of the delegated functions;
- it shall give the delegated person the power of expenditure needed to perform the delegated functions and/or when the expenditure amount is such to require another person's consent and said consent is denied; it shall grant the power to discontinue the operations of the unit in charge if the delegated person thinks that any obligations may not be properly fulfilled as regards the plants and/or buildings for which he/she was awarded the above mentioned delegation of functions.

In order to guarantee the implementation of an Integrated corporate safety model with the contributions from all corporate functions, the Employer shall provide the Protection and Prevention Service and the Company Physician with information about:

- a)the nature of risks;

- b)the work organization, the planning and implementation of preventive and protective measures;
- c)the description of plants and production processes;
- d)the information about accidents and information about professional diseases.

In fulfilling health and safety obligations on occupational health and safety, the Employer avails itself of the Protection and Prevention Service for professional risks, which:

- identifies risk factors, assesses risks and establishes measures for the safety and healthiness of working environments, in compliance with the regulations in force based on the specific knowledge of the corporate organization;
- drafts, as long as it is concerned, the preventive and protective measures following the risk assessment and the control systems of said measures;
- elaborates safety procedures for the various corporate activities;
- proposes information and training programs for the workers;
- attends advisory on protection of occupational health and safety as well as the mandatory regular meetings;
- provides workers with all the information on protection of occupational health and safety needed.

While fulfilling their duties, if the People in charge of Protection and Prevention Service (ASPP) or the RSPP find any critical aspects in the implementation of the preventive measures adopted by the Employer, the entity involved must promptly inform the Supervising Body on that.

Any replacement of the RSPP must be communicated to the Supervising Body by expressly specifying the reasons for said decisions.

The RSPP must have professional skills and requisites in prevention and safety. In particular, he/she must:

- hold a high school diploma;
- have attended specific training courses adequate to the nature of the risks existing at the workplace;
- have obtained attendance certificates for specific training courses on risk prevention and protection;
- have attended refresher training.

The RSPP shall be regularly involved and shall be invited to the Supervising Body meetings relating to the issues he/she is competent for.

Among other things, the Company Physician must:

- collaborate with the Employer and the Prevention and Protection Service at assessing risks, including in order to schedule, where necessary, Health Surveillance, arranging the implementation of the measures to protect workers' safety and psychophysical integrity, training and information

toward them, within the scope of its functions, and at organizing first aid service considering the particular types of works and exposure and the specific work organizational methods;

- schedule and perform Health Surveillance;

- have the workers to be employed in works involving specific risks undergo medical examination to assess their suitability to carry out their tasks;

- establish, update and keep under his/her responsibility a sanitary and risk file for each worker undergoing Health Surveillance;

- provide workers with information on the meaning of the health care examinations they undergo and inform them on the outcomes;

- during the mandatory regular meetings, inform in written on the overall anonymous outcomes of the Health Surveillance carried out, and provide instructions on the meaning of said outcomes in order to implement the measures for the protection of health and psycho-physical integrity of the workers;

- visit working environments at least once a year or on a different time basis, according to risk assessment;

- take part in scheduling the monitoring of workers' exposure, whose results are promptly provided to him/her to the purpose of assessing risks and the Health Surveillance.

The physician must have one of the professional qualifications envisaged by article 38 of Legislative Decree 81/2008 and, more specifically:

- specialization in workplace medicine or in preventive medicine for employees and psychotechnics, or in industrial toxicology, or in industrial hygiene, or in physiology and workplace hygiene, or in workplace clinics and other specializations established, if necessary, through decree of the Minister of Health in agreement with the Minister of Education, Universities and Scientific and Technological Research;

or:

- be professor or freelance professor in workplace medicine or preventive medicine for employees and psychotechnics, or industrial toxicology, industrial hygiene, physiology and workplace hygiene;

- possess the authorization as per article 55 of Legislative Decree 277/91 which provides for at least 4 years of proven professional experience.

The Workers' Safety Representative (RLS) is the elected or appointed entity, in compliance with what provided for in union agreements on this issue, to represent the workers as regards occupational health and safety.

Receives, by the Employer or its appointed person, the specific training on health and safety as provided.

The RLS:

- accesses the workplaces;
- is preventively and promptly consulted on risk assessment and on the identification, scheduling, performance and checking of preventive measures;
- is consulted about the appointment of the RSPP, ASPPs and the people in charge of implementing emergency and first aid measures, as well as the Company Physician;
- shall be consulted about the organization of training activities;
- promotes the drafting, identification and the implementation of preventive measures aimed at protecting health and psychophysical integrity of workers;
- attends the “risk prevention and protection regular meeting”;
- receives information about risk assessment and the related preventive measures and, if he/she requires it and in order to carry out his/her function, a copy of Risk Assessment Documents.

The RLS has the necessary time to carry out his/her task, without losing salary, as well as the necessary means to exercise the functions and powers he/she has been awarded; the performance of his/her activity cannot result in no damage whatsoever for him/her and the same protections provided for by law toward union representatives shall be applied.

In order to further specify the above mentioned general behavior rules, each worker must take care of his/her safety and health and of those of the other people at the workplace who may be affected by the consequences of his/her actions and failures, as regards training and the instructions received and the equipment supplied.

In particular, workers must:

- comply with the provisions and instructions given by the Employer or its representative in order to ensure collective and individual protection;
- use the machinery, equipment, tools, substances and hazardous compounds, means of transport and the other work instruments, as well as safety equipment, properly and in compliance with the information and training received;
- use protective equipment provided to them properly;
- promptly inform the Employer or its representative in charge on the deficiencies of the means and equipment mentioned above, as well as any other dangerous condition they may be aware of, and directly act, in case of emergency, within their skills and possibilities, to eliminate or reduce said deficiencies or dangers, and inform the Workers’ Safety Representative;
- not remove or modify, without authorization, the safety, warning or control devices, or the setup of machinery, equipment, tools, substances and hazardous compounds, means of transport and work instruments;

-not undertake, on their own initiative, operations or maneuvers for which they are not responsible or in prohibited areas or differently from the received information and training, or which could compromise their own safety or that of the other workers;

-diligently attend education and training programs organized by the Employer;

-undergo health controls programmed for them;

-contribute, together with the Employer or his/her representative to the fulfillment of all the duties imposed by the competent authority or which are essential to ensure the workers' safety and health while at work.

In addition to the fulfillments and obligations imposed by the regulations on the protection of safety and hygiene at the workplace, specific procedures must be arranged aiming at identifying the methods and the entities responsible for managing inspections and verifications by the public officials and criminal investigation appointed for that purpose.

The procedures contained herein provide for the Company to perform the following:

- a clear definition of the roles and tasks of the entities responsible for managing the initial contacts with the Public Administration, providing for controls (for example, filling out information sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of information requests by Angelini Beauty to Public Administration's offices;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- the appointment of the entity in charge of managing the relationships with the Public Administration which, in case of inspections by Public Administration entities, is authorized to manage said verifications and, also provide for the recording of the activities performed during verifications;
- the filing of the documents related to the sensitive activity;
- dissemination of safety and health regulations, leaving proper track of the planning activities and the dissemination of the rules within the company;
- the main internal control measures when managing the relationships with the Public Administration;
- a special power of attorney to be conferred upon the people responsible for the functions involved in inspections and/or verifications in order to grant them the power to represent the Company before public authorities in case of inspection and/or verification;

- the proxies mentioned above must draft an information report of the activities carried out during the inspection containing, among other things, the names of the officials met, the requested and/or submitted documents, the entities involved and a resume of the verbal information requested and/or provided; if more entities take part in the inspection, the report must be drafted jointly;
- specific forms of periodical reporting on the management to the Supervising Body.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.12 Sensitive activities related to offenses of fencing, money laundering, self-laundering and use of funds, goods and services of illegal origin

Having also taken into account Angelini Beauty S.p.a corporate purpose, and having considered the service contract purposes, by virtue of which Finaf S.p.a. provides specific services to Angelini Beauty S.p.a, this Model includes the types of sensitive activities in relation to offenses of fencing, money laundering, self-laundering and use of funds, goods and services of illegal origin as per article 25-*octies* of Legislative Decree no. 231/2001:

- management of purchase of goods and services;
- management of sales;
- management of intergroup relationships;
- financial resources management;
- warehouse management.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

The area of interest of the potential criminal conduct mentioned above is connected to the following sectors:

- administrative / financial (legal, Administration, Commercial) as regards relationships with third parties;
- purchase/sale contracts (Commercial / legal);
- relationships within the group (Administration / legal);
- management of financial flows and investments (Administration).

Therefore, in addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the preparatory corporate activities or with indirect contacts with the management of the sensitive activities provided.

The implementation of the procedures and provisions, which is oriented to maximum prudence, as described below, allows to support the actual prevention of the offenses as per article 24 *ter* Legislative Decree no. 231/01 as well, and set the limits of their risk areas.

3.12.1 General behavior and organizational rules for preventing offenses of fencing, money laundering, self-laundering and use of funds, goods and services of illegal origin

While carrying out all the operations relating to purchase of goods and services, sales, intergroup relationships, management of treasury, the Employees and the Corporate Bodies, as relevant to them, must adopt and comply with the following:

- the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
- the Code of Ethics, as well as the values and policies of the Company, as well as the rules included in this Model;
- in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*octies* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

Consequently, the above mentioned entities must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at handling the management stages concerned (purchase of goods and services, suppliers' qualification, sales, intergroup relationships, treasury)

which are connected to the performance of their work, in compliance with the role covered within the corporate organization.

Consequently, the Recipients of this Model must not:

1. establish and keep commercial or contractual relationships with entities which pursue, through their activities, purposes that are incompatible with the provisions of this Model as regards the traceability of the origin of the goods and services object of the contract;
2. take part in the execution of money transfer operations through payment instruments which are not provided for in authorized procedures;
3. establish and keep commercial or contractual relationships with entities (meaning individuals or legal persons outside the corporate organization) residing or having their headquarters in a Country which is included in the list of the countries not considered as cooperative by the Financial Action Task Force ("FAFT") against money laundering and which do not pursue, through their activities, purposes that are incompatible with the provisions of this Model as regards the traceability of the origin of the goods and services object of the contract;
4. receive funds from condemned national or foreign entities, or companies or organizations which have been proven responsible for carrying out money laundering, self-laundering and fencing;
5. make donations (including as purchase of shares or stocks) to sentenced national or foreign entities, or companies or organizations which have been proven liable for carrying out money laundering, self-laundering and fencing;
6. make negotiations with or, in general, keep business relationships with Italian and international third parties, included in counter-terrorism *blacklists*;

Additionally, the Recipients must:

1. request, during the procedures to check and identify the counterparts and any entities on behalf of which they act, the necessary information in order to assess their reliability; said verification may occur by collecting data and proper documents (name, registered office and tax code, tax domicile, certificate of incorporation and by-laws, representation powers and directors' personal information); to this purpose, they must check and update the lists available concerning counterparts' reliability (for example, the lists provided by the following entities: Financial Intelligence Unit UIF, Ministry of Economics and Finance, OFAC, FAFT, European Union);
2. select suppliers, partners and consultants according to objectivity, competence, cost effectiveness, transparency and fairness principles and based on objective criteria such as quality, price, capability to supply and guarantee goods or services on an appropriate level;

3. in case of joint venture, the Company verifies the financial reasonableness of the investment, with special care of the criteria of comparison with market prices, by availing itself of trusted professionals in order to carry out the *due diligence*;
4. verify the regularity of payments in commercial transactions, especially making sure that flows are directly related to the subjects holding the contractual relationship, and to this purpose update the counterpart records;
5. ensure that each economic transaction involving the transfer of money by or to the Company is fully and accurately recorded on the company books.

In turn, the Company shall implement the following general actions:

- properly inform its employees on the importance of taking care of complying with anti money laundering regulations;
- prepare procedures to formalize the steps to follow while managing the relationships with the suppliers and third parties in general, intergroup relationships, especially as regards financial flows or flows of goods coming from areas or entities which reliability procedures must be implemented for.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*octies* Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.12.2 Specific behavior and organizational rules for preventing offenses of fencing, money laundering, self-laundering and use of funds, goods and services of illegal origin

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding the activities concerning purchase of goods and services, sales, intergroup relationships, management of the financial resources and the warehouse, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management of sensitive activities, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

As regards the behavior and organizational rules above regarding the communications addressed internally to the OdV and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

Furthermore, the internal procedures herein are characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

In order to further specify the behavior rules mentioned above, it is established that:

- the Company shall identify counterparts, and establishes the procedures for filing and updating the collected data;
- the Company shall select the commercial and contractual counterparts according to methods which make it possible to compare in an objective and transparent way offers and the consistency with the services requested by the Company, based on criteria which are objective and can be documented, by verifying the commercial reliability of the counterparts, considering the economic relevance of the service, also through:
 - excerpts at the Chamber of Commerce or equivalent certificate from foreign jurisdictions;
 - references by other entities having existing relationships with the Company or by public authorities or professional associations or renown professional firms;
 - if required by current laws, the anti-mafia certificate or certificate of pending proceedings of the directors or equivalent certificates from foreign jurisdictions;
- the Company shall put in the contracts with counterparts a specific clause on the knowledge of and compliance with Angelini Beauty ethical principles and behavior rules contained in the Model; failing to comply with ethical conducts or false statements related to the counterpart's situation may result in a penalty or, according to the seriousness, the termination of the contract;
- the Company establishes specific procedures for any use of cash or bearer bonds;
- the Company constantly monitors the corporate financial flows, especially as regards the source of payments; said controls must consider the registered office of the contractual counterpart (e.g. tax havens, terrorism-risk countries), the credit institutions used (registered office of the banks involved in the transactions) and any trusts used for extraordinary transactions or operations.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

Self-laundering

Following and in addition to all the provisions as per Article 3.12, the self-laundering crime includes all the crimes which are concretely able to provide their author with a sum of money or other goods and services: for example, corruption, tax evasion and any other tax crime, appropriation of

company assets, embezzlement, false corporate communications, crimes against the public faith, corruption between private parties as well as the money laundering and self-laundering crimes themselves.

All the provisions relating to the above-mentioned single offenses as well as to the payment control and/or the corporate asset arrangement aim at preventing the predicate offense of money self-laundering

3.13 Sensitive activities related to Copyright violation crimes

First of all, as regards the Company's specific activity, based on the corporate purpose and the scope of service contracts with Finaf S.p.A., it can be considered that the crimes of copyright violation as predicate offenses as per article 25 *nonies* of Legislative Decree no. 231/2001 of the legal entity's administrative liability do not represent a concrete risk, as they are not directly connected to the corporate activities, unless they result from autonomous and malicious conducts in violation of the criminal code, which, as such, are incompatible with the general rules and principles referred to in this Model.

Advertising communication of corporate products may be considered the only potential specific sensitive activity, in relation to the risk of illegal diffusion of other people's original works.

Any stage of employee's activity involving the use of IT equipment which may result in the illegal sharing and diffusion of original works in violation of copyright regulations may be considered as general sensitive activity.

Said activities are considered sensitive both if performed by the corporate staff and by third parties acting upon appointment by or on behalf of the Company.

3.13.1 General behavior and organizational rules for preventing copyright violation crimes

While carrying out all the operations regarding the management and use of IT equipment, as well as the advertising and sale of the company's products, the Employees and the Corporate Bodies, as relevant to them, must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25-*nonies* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

As a consequence, the above-mentioned entities must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities connected to the use of IT equipment and related to the performance of their work, in accordance with their role within the corporate organization.

In general, the employees must comply with the current laws on copyright.

In turn, the Company shall implement the following general actions:

- the installation of programs shall be authorized by each area manager;
- it is forbidden to listen to audio or music files or viewing videos and/or images or protected texts on the Company's PCs, on any device they are stored in, unless for purely work purposes;
- prevents, on the Company's IT systems, the installation and use of software through which it is possible to exchange *files* (video and/or audio, etc.) with other entities within the Internet network for purposes other than those of the company;
- if wireless connections are used to access the corporate Internet network, it establishes the protection of the network through access keys that prevent third parties from using it illegally.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, performs periodical verifications on the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*nonies*, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the Supervising Body.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.13.2 Specific behavior and organizational rules for preventing copyright violation crimes

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding accident prevention at the workplace provide for the Company to perform the following:

- the identification of activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the system management and in the data processing, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be properly documented.

Furthermore, the internal procedures herein are characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

As regards the behavior and organizational rules above regarding the communications addressed internally to the OdV and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;

- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

In order to further specify the behavior rules mentioned above, it is expressly and specifically forbidden to:

1. provide the public with protected original works, or part of them, by putting them in a system of telecommunication networks through any kind of connections, or with other people's original works which are not to be advertised, or by seizing the authorship of the work, or through distortion, mutilation or any other changes to said works, prejudicial to the authors' honor or reputation;
2. unlawfully copy computer programs in order to gain a profit therefrom or, for the same purposes, import, distribute, sell, hold for commercial or entrepreneurial purposes or lease out programs embodied in media not marked by SIAE (Italian Society of Authors and Publishers);
3. in order to gain a profit therefrom, reproduce on media not marked by SIAE, or transfer on other media, distribute, communicate, present or show to the public the contents of a database, extract or reuse said database in breach of the provisions of law no. 633/1941, as well as distribute, sell or lease out a database;
4. unlawfully duplicate, reproduce, transmit or broadcast in public by whatever means, in whole or in part, an original work intended for television, cinema, sale or rent, records, tapes or similar media or any other media containing phonograms or videograms of comparable musical, film or audiovisual works or sequences of moving images;
5. unlawfully reproduce, transmit or broadcast in public by whatever means, works or parts of works of literary, drama, scientific, educational or drama-musical nature, as well as multimedia works, even when included in collective or composite works or databases;
6. even if not involved in duplicating or reproducing, introduce in the State territory, hold for sale or distribution, or distribute, market, lease out or transfer for whatever reason, broadcast in public, through television by whatever means, radio broadcast, play in public unlawful copies or reproductions;

7. hold for sale or distribution, market, sell, rent, transfer for whatever reason, project in public, broadcast via radio or television by whatever means, video cassettes, music cassettes, any media containing phonograms or videograms of music, film or audiovisual works or sequences of moving images, or any other media for which SIAE markings are compulsory and that is devoid of said markings, or bear forged or altered markings;
8. re-transmit or diffuse by any means an encrypted service received by means of equipment or parts of equipment used for decoding conditional access transmissions without the agreement of the authorized distributor;
9. introduce into the State territory, hold for the purposes of sale and distribution, distribute, sell, lease out, transfer for whatever reason, promote commercially, install special decoding devices or elements that allow access to an encrypted service without payment of the due fee;
10. manufacture, import, distribute, sell, lease out, transfer for whatever reason advertise for sale or rental or hold for commercial purposes, equipment, products or components or provide services for commercial purposes or primarily aimed at bypassing effective technological measures referred to in law no. 633/1941, or which are mainly designed, produced, adjusted or made with the intention of making it possible or easier to bypass said measures;
11. unlawfully remove or adulterate electronic information referred to in law 633/1941, or distribute, import for the purposes of distribution, broadcast via radio or television, communicate or provide the public with works or other protected materials from which said electronic information has been removed or adulterated;
12. reproduce, duplicate, transmit or unlawfully broadcast, sell or otherwise market, transfer for whatever reason or unlawfully import more than fifty copies or specimens of works protected by copyright and the rights thereof;
13. communicate original works protected by copyright, or parts of them, to the public, by putting them into a system of telecommunication networks through any kind of connections in order to gain a profit, in breach of law no. 633/1941;
14. if the advertising of corporate products involves the use of original works or works protected by copyright, as well as the use of programs or media containing them, and their creation is contracted to external suppliers, the assignment must expressly provide for the contractual obligation to carry out the research on the originality of the proposed work or on the compliance with the conditions for their use, in accordance with copyright regulations, as well as the obligation to release a statement proving that said obligations have been fulfilled.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.14 Sensitive activities connected to the incitement to not testify or to bear false testimony before the judicial authority

With reference to the general remarks exposed in the introduction about the identification of the abstract boundary of the offense above, and considering the area of interest of the potential criminal conduct above as per article 25 *decies* of Legislative Decree no. 231/01, below are listed the sectors of corporate business and the relevant competent functions, as also result from the types of sensitive activities already identified in relation to offenses against the Public Administration:

1. Management of relationships with the Judicial Authority;
2. Management of relationships with Bodies delegated by the Judicial Authority, even during checks and inspections during which the employees and/or directors are required to provide information, documents or make statements;
3. Management of in-court disputes.

In addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the offenses mentioned, with special reference to all the corporate activities for the preparation and formalization of responses to requests from the Judicial Authority.

3.14.1 General behavior and organizational rules for preventing incitement to not testify or to bear false testimony before the judicial authority

While carrying out all the operations regarding the management of the types of sensitive activities, the Employees and, as applicable, the Corporate Bodies must adopt and comply with the following:

1. the internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25 *decies* of Legislative Decree 231/2001);
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

The above-mentioned entities must strictly comply with all the laws in force and, in particular, act in a proper, transparent and cooperative way, complying with the laws and the corporate procedures in all the activities aimed at managing the types of sensitive activities concerned which are connected to the performance of their work, in compliance with the role covered within the corporate organization.

Consequently, it is forbidden to exert pressure on, force or suborn in any way subjects who are called to render statements before the Judicial Authority or which may be used in a criminal trial.

The Company in turn may implement the general actions aimed at properly informing its employees on the importance of collaborating with the Judicial Authority transparently and on the obligation to say the truth when bearing testimonies to the Authority or which may be used in a criminal trial.

The Supervising Body, in addition to the power of carrying out specific checks following the reports received, by freely accessing the relevant corporate documents, regularly reviews the compliance with these general behavior rules and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*decies*, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company.

The Functions must promptly inform the Supervising Body on any anomalies or differences found in the corporate activity compared to the behavior rules provided, as well as on the exceptions occurred, specifying the reasons why and, in this case, providing proof of the authorization process followed and its documents, and keep the full archive of the necessary documents available to the OdV.

The behavior and organizational rules above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.14.2 Specific behavior and organizational rules for preventing incitement to not testify or to bear false testimony before the judicial authority

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding the creation, marketing and advertising of the product provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, the internal procedures herein must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

As regards the behavior and organizational rules regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said authorities and the Supervising Body, even during inspections, the specific procedures below provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;
- in case of inspections, the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;

- clear identification of the function in charge of representing the Company before the Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney, as well as specific forms of periodical reporting on the task carried out toward the Supervising Body.

In order to further specify the general behavior rules above, the Company decided that when dealing with the Judicial Authorities in case of judicial disputes or during Judicial Police investigations that involve bearing testimonies by the Employees of Directors of the Company, testifiers are guaranteed their autonomy and spontaneity, as well as the confidentiality connected to the different position as subjects involved in the investigation.

The behavior and organizational rules above must be complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.15 Sensitive activities related to environmental crimes

In compliance with the general principles of the Code of Ethics, the Company's primary interest is developing its investments in a way that is compatible with the respect for the environment, which is recognized as the primary asset to protect, by pursuing the best balance between its business initiatives and the protection of environmental needs through the reduction of the impact of its activities, including production, as well as the compliance with environmental regulations.

Therefore, Angelini Beauty S.p.A. considers any conduct which may directly or indirectly affect the environment, even just potentially, contrary to its interest and rejects any conduct aimed at bypassing corporate procedures and breaching the regulations in force, by expressly declaring that said conducts do not result in any advantage to the Company, rather they compromise its ideals and assets.

The disciplinary system has specifically taken into consideration the protection of said goals and values.

For the purposes of this Model, when listing the types of sensitive activities relating to environmental offenses as per article 25 *undecies* of Legislative Decree no. 231/2001, Angelini Beauty S.p.A. has verified that all the activities carried out in its facilities, as well as the activities whose execution or management the Company supports third parties in, are potential areas at risk.

Furthermore, all the activities performed by external staff are considered areas at risk (e.g. service providers as per contracts for the supply of goods and services). Special attention shall therefore be paid to those activities carried out jointly with external partners or in joint ventures as well. Hence,

the activities are considered sensitive both if they are carried out by corporate staff and third parties acting upon assignment or on behalf of the Company, or that have a contractual relationship with the Company, especially as regards the scope of the activities assigned to them and carried out under the Company management or supervision.

For the purposes of this Model, the activities to be considered sensitive are those having significant impacts on environmental compartments (water, air, soil, flora, fauna, waste), or impacts which impose measures to reduce said impacts.

In particular, the areas where intentional conducts or gross negligence may occur which may result in prejudice or danger of relevant damages pursuant to 2008/99 EC and 2009/123 EC Directives, shall be considered corporate activities relevant to the protection of environmental compartments, as they cause or may cause death or severe injury to people or significant damage to the quality of the air, soil, waters, flora and fauna.

Within said activities, those considered as sensitive are those having:

- a) indirect environmental impact, as they are connected to the development of activities comparable to household activities even though, according to the extension of the plant or the household occupancy of the urban settlement it is located in, the site does not fall under the definition of place where household waste may come from, pursuant to article 184 of TUA (Consolidated Act on the Environment) of Legislative Decree no. 152/2006;
- b) direct environmental impact, as they are connected to the development of activities that are different from household activities (industrial activities, production activities, activities causing waste discharge or emissions). These include also the activities subjected to the assessment as per article 18 paragraph 1 letter q) of Legislative Decree 81/2008 which are carried out in places where measures for the protection of health and safety of the working environment have been adopted. The activities subjected to administrative proceedings involving enabling, recording, or authorization, as well as to specific prohibitions pursuant to the TUA of legislative Decree no. 152/2006, shall also be considered sensitive activities, as they may potentially have direct impacts.

Within the management of fulfillments on environmental issues, the following activities are identified:

- assessment of the compliance with the technical and structural standards provided by law regarding treatment and purification plants, emission discharge plants, temporary storage and waste storage places;
- procurement of the documentation and certification prescribed by the law;
- assessment of the risks connected to production cycles having impacts on the environment;

- assessment of the compliance with technical and structural law standards provided for in environmental regulations in order to obtain administrative measures (e.g. authorizations, licenses, concessions, permissions, evaluations, opinions, approvals, subscriptions, etc.), to carry out activities, as well as to carry out fulfillments before it (communications, statements, enrollments, records, conservation of deeds and documents, submission of deeds and documents, etc.) needed to carry out the corporate activities;
- update and coordination of corporate procedures on environmental protection issues with those on occupational health and safety;
- surveillance of the compliance by the workers and third parties with working procedures and instructions given to achieve goals in terms of environmental compatibility and safety at the workplace;
- periodic verification of the application and effectiveness of the procedures adopted.

Therefore, in addition to sensitive direct activities, also instrumental areas to those mentioned above can be identified, as potential support and base to perpetrate the environmental offenses, with special reference to all the corporate activities carried out by the staff that may affect, directly or indirectly, the management of the fulfillments concerning environmental protection and compliance with the specific environmental regulations. Consequently, the activities affecting directly and indirectly the environmental compartments, namely water, air, soil, flora and fauna, as well as the activities to manage waste production cycle shall be identified.

In this Model, the assessment factors reported in the specific corporate activities management systems must be fully referred to, with special reference to protection of occupational health and safety, as well as the management of the relationships and bargaining with the Public Administration, management of litigations, staff selection and rules covering the agreements with commercial partners and third parties, as well as regarding the regularity, truthfulness and correctness of the information about the economic position, assets, liabilities or financial position of the Company, considering that said factors do not fully cover the procedures provided for, aimed at establishing the overall environmental management system.

The Company has promoted the constitution of a specific work group helped by the contribution of specialists with appropriate skills, and has appointed it with the harmonization and any renovation of the mapping of sensitive activities affecting the environment, in order to get to an effective coordination of the internal procedures system in force.

3.15.1 General behavior and organizational rules for preventing environmental crimes

It shall be considered that, as currently there are no statutory provisions as regards the requirements for delegating functions on environmental issues and an allegedly legal compliance of the Model (as instead provided pursuant to articles 16 and 30 of Legislative Decree no. 81/2008 on safety at the workplace), in wait for regulations on the criteria for implementing the above, the following minimum requirements and goals of the system of rules and procedures of the Company referred to in this Model can be identified, in order to provide for appropriate rules of conduct on environmental issues aimed at preventing conducts that integrate or enhance the integration of environmentally relevant predicate offenses.

In particular, in compliance with the precautionary principle, the goal of complying with the behavior rules and the related internal procedures provided for the protection of environmental compartments, will be preventing intentional conducts or conducts of gross negligence which may result in prejudice or danger of relevant damages to the air, soil or waters, as well as fauna and flora, or which cause or may cause death or severe injury to people.

Therefore, the Company must provide for and pursue the following:

- an environmental management system which guarantees the compliance with the statutory obligations provided and regulations;
- the distribution of skills through appropriate delegations of functions.

In particular, the delegations of the management of activities having an environmental impact shall be conferred having considered the following requirements:

- identification of an individual having specific competence and professionalism credentials;
- formalization of the delegation, express acceptance and its publication;
- conferral of the appropriate decision-making powers;
- assignment of the appropriate economic means and availabilities, especially considering the current needs and the need for regular investments;
- coordination of the powers conferred upon the appointed person in relation to any different managing activities concerning the overall corporate organization;
- coordination of the different risk assessment perspectives, as regards the assessment provided for in art. 18 paragraph 1 letter q) of Legislative Decree 81/2008 too, in order to identify the one which, according to the outcome of the related external environmental impact assessment, seems to be the most conservative among the appropriate choices, in order to guarantee safety and health at the workplace.

Additionally, the Company must pursue the following:

- the management and adjustment of working procedures, as well as environmental monitoring;
- the surveillance on the compliance with working procedures and instructions;
- the organization of an environmental impact prevention and reduction system according to the hierarchy and the priorities provided for in the Consolidated Act on the Environment as per Legislative Decree 152/2006.

In particular, under the latter perspective, waste management must comply with the following hierarchy:

- a) prevention;
- b) preparation for reuse;
- c) recycling;
- d) other types of recovery, for example energy recovery;
- e) disposal.

The hierarchy establishes, in general, an order of priorities for what the best sustainable environmental option is. In accordance with said hierarchy, the measures aimed at encouraging those options which guarantee the best overall outcome must be adopted, considering health, social and economic impacts, including the technical feasibility and economic viability.

As regards the single waste streams, it is exceptionally possible to depart from said priority order when it is justified, in accordance with the precautionary and sustainability principle, based on a specific assessment of the overall impacts of the production and the management of said waste, both under an environmental and health care perspective, in terms of life cycle, and under the social and economic point of view, including technical feasibility and protection of resources.

In wait for and in compliance with any provisions coming from the competent Ministerial Bodies concerning the regulations of the single specific waste streams and from the Public Administration., with special reference to the hierarchy for waste treatment, in order to achieve the best result in terms of human health and environmental protection, the Company shall orient its implementations and the actions of its environmental management system in order to promote:

- the development of clean technologies, which make it possible to use natural resources in a reasonable way and to save them;
- the use of products conceived so that their manufacturing, use or disposal does not to contribute or contribute as little as possible to increase the quantity and the harmfulness of waste and the risks of pollution;
- the use of techniques which are appropriate to the removal of dangerous substances contained in waste in order to enhance their recovery;

- within the contract stipulation conditions, the provision for the use of the materials recovered from waste and substances and objects produced, even only in part, with materials recovered from waste in order to facilitate the market of said materials;
- the use of waste produced, where compatible, for the production of fuel and the later use or as a means to produce energy.

Under the latter perspective, in compliance with the waste treatment hierarchy, the measures aimed at recovering waste through the preparation for reuse, recycling or any other materials recovery operation, shall be adopted by the Company as a priority compared to the use of waste as source of energy.

Additionally, the Company must adopt and pursue the following:

- a verification and control system with regular check of environmental monitoring and following renovation of the adequacy assessment of working procedures and instructions;
- the education and training of workers, commercial partners and third parties, including the circularization of notifications to the different functions involved;
- the keeping and storing of documents, even accounting documents and the notification to the competent Supervising Authorities of the data on the activities affecting the environment;
- the proper management of resources within an appropriate financial planning;
- the details of the competence of the Supervising Body, with special references in the system of disciplinary sanctions.

The Company, in addition to constantly harmonizing and possibly renovating the mapping of the sensitive production activities impacting on the environment, in order to implement the internal procedure system, shall take the following regulations under consideration, with the purpose of adopting quality systems which will be identified as compliant to Models for the management and prevention of risks resulting from environmental crimes which are presumed to be compliant.

As regards the general rules to follow while carrying out all the operations regarding the sensitive activities in relation to the environment, the Employees and the Corporate Bodies, as relevant to them, must comply with the following:

1. an internal organization and control system, and therefore the corporate procedures, the documents and the provisions concerning the conduct to adopt as regards the sensitive activities mentioned above, in compliance with the laws in force;
2. the Code of Ethics, the values and policies of the Company, as well as the rules included in this Model;
3. in general, the current regulations applicable.

The Corporate Bodies (directly) and the employees and consultants (only limited to obligations provided for in the specific procedures and the Code of Ethics adopted and to obligations set out in the specific contractual clauses respectively) must not:

- commit, collaborate with or cause the commitment of acts that individually or collectively contribute, directly or indirectly, to the perpetration of the type of offenses mentioned above (article 25 *undecies* of Legislative Decree 231/2001);
- mix different categories of hazardous waste (or hazardous waste with non-hazardous waste);
- breach the duty to implement, after an event which is potentially able to contaminate the site, the necessary prevention and recovery measures, and promptly inform the competent authorities;
- break the principles set out in this document and commit acts which do not comply with the corporate procedures provided.

Consequently, the above-mentioned entities must strictly comply with all the current laws, and in particular, act in a proper, transparent and cooperative way, in compliance with the laws and the procedures, in all the corporate activities.

It is expressly forbidden to commit or cause the commitment of violations of behavior principles, protocols and corporate procedures. The individuals involved in the above-mentioned activities must comply with the organization and preventive measures provided for performing environment-affecting production activities and the information obligations related, by diligently participating in training and education sessions connected to the tasks which the Company conferred upon each of them.

In particular, it is forbidden to change production cycles, systems, machinery, purification processes, places and the relevant procedures as regards the preparation and the starting stages of disposal, according to the priority order, of waste coming from corporate activities.

Within the relationships with the Public Administration and, in particular, the Entities in charge of releasing authorizations and measures on environmental protection, the procedures herein establish that the Company implements the following:

- the splitting of the entities responsible for establishing contacts with the public entity to ask for information, for drafting the application, submitting the application and managing the authorization to exercise and perform the environment-affecting production activity, establishing specific control systems (e.g. filling out information sheets, calling special meetings, recording the main deliberations) in order to guarantee the compliance with process integrity, transparency and fairness criteria;

- checking and making sure that the documents that must be produced are true and correct (e.g. joint check by the person responsible for the application submission and the person responsible for controlling the authorization management) and control criteria (deadlines, charts, internal training), as well as the related responsibilities in order to ensure that the relevant data are transmitted to the Public Administration within the deadlines;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;
- identification of the entity in charge of representing the company before the granting Public Administration, which must be conferred with an appropriate delegation of authority and powers of attorney, as well as specific periodical reports about the tasks carried out both to the Supervising Body and the person responsible for the function in charge of managing said relationships;
- a clear and accurate description of the roles and duties of the function responsible for controlling the attainment and the management of authorizations, especially as regards the factual and legal grounds which the submission of the related request shall be based on;
- specific forms of periodical reporting to the Supervising Body.

The Supervising Body, in addition to the discretionary power of carrying out specific checks following the reports received, performs periodical verifications on the compliance with this special section and evaluates the effectiveness of the measures provided in order to prevent the offenses referred to in article 25-*undecies*, Legislative Decree 231/2011, from being committed, and reserves the right to any appropriate communication to the top functions of the company. To this purpose, the OdV is allowed free access to all the relevant corporate documents.

The Corporate Functions and Departments involved must promptly notify the OdV on any exceptional conduct or any unusual event, providing the reasons for said variances and giving proof of the authorization process followed, guaranteeing the possibility to document the process followed proving the compliance with the regulations, keeping all the documents needed for the purpose available for the Supervising Body, in an tidy archive.

The behavior and organizational rules mentioned above shall also be provided for and complied with even during the activities performed in execution and in the occasion of the supply of services to third parties.

3.15.2 Specific behavior and organizational rules for preventing environmental crimes

In order to implement the general rules listed, in addition to the general principles included in this Model, the specific procedures below regarding environmental protection and prevention of harmful environmental impacts, provide for the Company to perform the following:

- the identification of the activities, roles and responsibilities;
- the definition, in an unequivocal way, of the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as the criteria for data processing;
- the arrangement of a basic training program intended for all the organizational functions involved in the management of production activities affecting the environment, about the main legal fundamentals and problems; the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, the internal procedures herein must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization.

The Company establishes and implements the procedures aimed at identifying the methods and the functions representing Angelini Beauty in the management of the relationships with the competent administrative Authorities, as well as of the inspections and verifications in relation to environmental protection.

In particular, the following shall be done:

- a special power of attorney must be given to the people responsible for the functions involved in inspections and/or verifications in order to grant them the power to represent the Company before public Authorities (in particular, Revenue Agency, Finance Police, Italian Regional Environmental Protection Agency, Local Health Unit, Ecology Operative Unit, State Forestry Corps, Forestry and Environmental Protection Investigation Units, NAS, Anti-Adulteration Police Units, as well as the other Law Enforcement Agencies responsible for environmental issues) in case of inspection and/or verification;

- a special delegation of authority must be given to the function in charge of representing the Company toward the Public Administration's Body which is granting an administrative measure or which a communication is addressed to;
- the proxies mentioned above must draft an information report of the activities carried out during the inspection containing, among other things, the object and nature of the check, the names of the officials met, the requested and/or submitted documents, the entities involved and a resume of the verbal information requested and/or provided; if more entities take part in the inspection, the report must be drafted jointly;
- a method for filing the documents related to the activity in question must be arranged. In particular, the methods used to keep track of the applications, authorizations, communications and any other data sent to Public Administration entities must be specified, in order to make sure that the documents are immediately available in case of request;
- a preliminary communication method in order to inform the entities in charge on inspection notices (also periodical, e.g. Integrated Environmental Authorizations), as well as their role in orienting, supervising and monitoring, must be arranged;
- the methods used to fulfill the request of information by the Supervising Authority must be established, as well as to manage the information flow toward any other functions or, if needed and urgent, the methods to inform the Chief Executive Officer;
- specific methods to report periodically to the Supervising Body on the management of said stages must be arranged.

As specifically regards the management of the application for and the issue of environmental authorizations by the Public Administration, the Company arranges and implements the following specific procedures which establish that the Company arrange the following:

- clearly define the roles and tasks of the functions responsible for managing the production activities having an impact on the environment, regarding the establishment of the initial contacts with the Public Administration, providing for controls (for example, filling out information sheets, calling special meetings, recording the main deliberations) on the regularity and legitimacy of information requests by Angelini Beauty to Public Administration's offices or requests by Public Administration's representatives to Angelini Beauty;
- specific information flows between the functions concerned as part of a collaboration, mutual surveillance and coordination;

- the identification of the function in charge of representing the Company before the Public Administration, which must be conferred with an appropriate delegation of authority and power of attorney, as well as establish specific forms of regular reporting on the activity carried out both toward the Supervising Body and the person responsible for the function in charge of managing said relationships;
- splitting of the functions in charge of preparing and submitting the request for obtaining the authorizations, as well as provide for specific methods to check for the technical and structural conformity in relation to the nature and the object of the environmental activity they refer to;
- the introduction, when applying for the authorization, of an appropriate control system to avoid submitting incomplete or incorrect documents to the Public Administration stating, in contrast with the truth, the existence of the conditions or necessary requirements to obtain the request for the authorization, having also complied with the regulations to protect third parties;
- the delivery of data and information to the function responsible for the request for authorization through a system (also computer system) which makes it possible to trace the single steps and identify the entities inserting data into the system;
- the splitting of the activities related to the stipulation of the contract concerning the contracting out of the production activities having an impact on the environment, the input of the software application for invoicing, the check of payments and debits;
- defining the methods and terms to manage any claims on administrative violations identified, and identify the functions responsible for receiving the claims, ensuring that the objections made are appropriate and carrying out actions to implement the provisions or the instructions given and checking them.

As regards the behavior and organizational rules regarding the communications addressed internally to the Supervising Body and externally to Supervising Authorities, as well as the management of the relationships with said Authorities and the Supervising Body, even during inspections, the specific procedures provide for the Company to perform the following:

- the exact identification of the roles and assignments of the functions responsible for gathering data, drafting and transmitting communications to the Supervising Authorities and the Supervising Body;
- the provision for appropriate internal control systems;

- the provision, in case of inspections, for the appointment of a person in charge of managing them, who shall also draft the minutes of said inspections;
- specific information flows between the functions involved in the process, as well as the documents and the traceability of each stage, as part of the maximum collaboration and transparency;
- clear identification of the function in charge of representing the Company toward Supervising Authorities, which is to be conferred with an appropriate delegation of authority and power of attorney;
- specific forms of periodical reporting to the Supervising Body on the activity carried out.

The behavior and organizational rules mentioned above shall also be complied with even during the activities performed while executing and providing services to third parties.

3.16 Sensitive activities and behavior rules concerning the Crime of employment of illegally staying third-country nationals

The Department that is more likely to be involved in the crime of employment of illegally staying third-country nationals is the HR Department.

As regards the crime of employing illegally staying third-country nationals, the business organization complies with the following protocols, criteria and/or principles (integrated with the corporate procedures or with the organizational tools adopted by the Company):

- the identification of the activities, roles and responsibilities;
- defining, in an unequivocal way, the activities, roles and responsibilities about the staff selection and management process;
- the clear and complete description of the data and news that each function must provide, as well as data processing criteria;
- the arrangement of a basic training program intended for all the organizational functions involved in staff selection and management activities, about the main legal fundamentals and problems;
- the periodical attendance of said entities to the training programs must be documented properly.

Furthermore, the internal procedures herein must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;

- written trace of each relevant step of the process (so-called "traceability");
- appropriate level of formalization.
- specific criteria to be adopted when selecting and hiring staff.

The Company establishes and implements the procedures aimed at identifying the methods and the functions representing Angelini Beauty in managing the relationships with the competent administrative Authorities, as well as in the inspections and verifications on staff selection and in checking that workers meet the requirements to perform the job.

In particular, the HR department may not:

- employ people in order to make favors to public officials or people in charge of a public service, and to give money or other benefits to directors, general managers, managers in charge of drawing up the corporate accounting documents, the statutory auditors and the liquidators of other companies (as well as to those whom they manage and supervise on) to have them take or refrain from taking actions, in violation of the obligations pertaining to their position or of loyalty obligations, thus causing damage to their company;
- implement mechanisms to check the compliance with the staff selection and employment criteria set by the Company;
- record/track and/or, if needed, motivate every relevant stage of the staffing process;
- implement a control mechanism on wage and salary policies;
- carry out pre-employment checks, even in compliance with any relevant foreign laws, aimed at preventing adverse circumstances that may expose the company to the risk of predicate offenses as regards responsibility on the part of the organization, with special focus on the existence of any criminal proceedings/pending charges, conflict of interest/relations that may interfere with the duties of public officials and people in charge of a public service who are called to work in connection with business in which the company has an actual interest, as well as with top representatives of companies, consortia, foundations, associations and other private organizations, even without legal personality, who carry out professional and corporate business that is particularly relevant to the company's purposes;
- specify any impeding circumstances as well as the several situations that, after completing pre-employment checks, may be key issues to the employment;
- arrange methods to open and manage Employees' records;
- use systems, including automated ones, that guarantee traceability of attendance records in accordance with the applicable legal provisions;
- traceability of the company procedures and activities and keeping of the related documents, even on paper, especially those regarding the foreign workers staffing process, as well as their

entry and stay on the Italian territory, and the consequent obligation to keep said documents in a special archive, with the prohibition to erase or destroy the documents stored;

- obligation to check that the permits allowing the foreign workers to enter and stay in the Country in order to be employed or establish a different type of partnership with the Company are complete and fully compliant to administrative requisites; or a monitoring system on everything concerning the permits of stay (expiry, renewals, etc.).
- In order to employ non-EU workers, it shall be necessary to comply with the provisions of the so-called “Flow Decree” as well as with the provisions provided for about the employment authorization requests to the Immigration Help Desk (SUI) of the province. It is absolutely forbidden to employ non-EU workers without the prior attainment of the necessary authorizations.
- The acquisition of the updated list of on-site operators for the execution of the works entrusted to the contracting company and the verification of document regularity;
- The supervision of the contracting company’s on-site staff with the verification of their personal information, i.e. of the data specified in the identification cards compared to those declared and officially communicated through the above list.

Crimes concerning illegal immigration

The Law [161/2017](#) – published on the Official Journal no. 258 dated 4th November 2017 – introduces some further assumptions in terms of legal persons’ liability within the [art. 25-duodecies](#) Legislative Decree 231/2001, aimed at sanctioning some illegal immigration conducts.

Specifically, a fine shall be imposed on the entities, in whose interest or advantage the transport of foreign people in the Country is promoted, managed, organized, funded or performed or other actions are committed which are aimed at causing their illegal entrance in the Country or in any other Country the person is not a citizen of or is not entitled to be a permanent resident of (art. 12 paragraphs 3, 3-bis and 3-ter of Legislative Decree 286/1998).

However, the entity as well as the individual shall be criminally liable only if, alternatively, one of the other seriousness assumptions set forth in art. 12, paragraph 3 of Legislative Decree 286/1998 occurs: a) the fact concerns the entrance or the illegal stay in the Country of five or more people; b) the person transported was exposed to risk for his or her life or his or her safety in order to cause his or her to illegally enter or stay in the Country; c) the transported person was subjected to inhuman or degrading treatment to cause his or her illegal entrance or stay; d) the fact is committed by three or more people jointly or by using international

transport services, or forged or adulterated documents, or which have been illegally obtained;
e) the authors of the fact have weapons or exploding materials.

The Company shall also be liable, unless the fact constitutes a more serious offense, if the stay of illegal immigrants in the territory of the Country is facilitated, in order to take an unfair advantage out of the illegal condition of foreign people or within the activities described above (art. 12 paragraph 5 of Legislative Decree 286/1998).

As regards the crimes concerning illegal immigration, the business organization complies with the following protocols, criteria and/or principles (integrated with the corporate procedures or with the organizational tools adopted by the Company):

- the identification of the activities, roles and responsibilities;
- the definition of guidelines that would establish, in an unequivocal way, the activities, roles and responsibilities about the management process;
- the clear and complete description of the data and news that each function must provide, as well as data processing criteria;

Furthermore, the internal procedures herein must be characterized by the following:

- within each process, the entity making the decision (decision input), the entity implementing said decision and the entity in charge of supervising the process (so-called “function splitting”) must be separated;
- written trace of each relevant step of the process (so-called "traceability”);
- appropriate level of formalization;
- specific criteria to be adopted when selecting and hiring staff (expressly excluding,
- specific control criteria within the cross-border transport activities

The Company establishes and implements the procedures aimed at identifying the methods and the functions representing Bertani Domains in managing the relationships with the competent administrative Authorities, as well as in the inspections and verifications on staff selection and in checking that workers meet the requirements to perform the job.

Specifically, it is forbidden to:

- provide foreign people with false documents or other means suitable to simulate, during border controls, conditions legitimating access;
- the HR Department shall carefully check the type of visa and/or work permit for non-EU workers;
-

Some of the assumptions constituting this type of crime are: the illegal entrance of foreign people outside border crossing points; the failure to report to border authorities the presence

on board of illegal immigrants, and the failure to supervise should illegal immigrants manage to disembark.

3.17 Reference principles in the relations with the associated companies

Considering the Angelini Group holding role taken on by Finaf S.p.A., as per its corporate purpose, and at the same time the contractual relationship established with Angelini Beauty as regards the provision of services, as detailed in any service contracts signed, in order to optimize the efficacy and efficiency of the principles, provisions, instructions and prohibitions described in this Model, Angelini Beauty S.p.A. demands to adopt this Finaf S.p.A. Organization Model only as regards the activities performed by Finaf S.p.A. according to the mentioned service contracts.

Similarly, when managing its contractual tasks toward the other companies of Angelini Group, Angelini Beauty shall comply with any additional specific provisions that may result from the Model of the companies themselves. Angelini Beauty declares that its activities are not influenced by Finaf S.p.A., in accordance with its holding position of the Angelini Group, and that the interconnections between Angelini Beauty and Finaf S.p.A. and with the other companies of the Angelini Group are limited to the execution of the specific service contracts.

At the same time, Finaf S.p.A. demands its associated companies, which receive the services, their cooperation in order to keep the information flow on economic and organizational data, on which the same services are based, complete and constant.

These reference principles and any organizational measures set out in this Model shall be considered as connected to Finaf S.p.A. corporate business, especially as regards its investment holding position and the supply of services to third parties and its associated companies.

Consequently, the measures set out in this Model take into account that Finaf S.p.A. Does not influence the operations of Angelini Beauty, which keeps its decision-making autonomy on each sector under analysis, as detailed in their Model.

Similarly, in the implementation of the disciplinary system referred to under section 5 regarding conducts connected to service provisions to associated companies, Finaf S.p.A. and Angelini Beauty themselves shall pursue equality and consistency in their sanctioning procedures.

CHAPTER 4

APPOINTMENT OF THE SUPERVISING BODY

4.1 The Supervising Body pursuant to Legislative Decree 231/2001: purposes and requirements

4.1.1 Purposes

The prevention of the offenses provided for in Legislative Decree 231/2001 is based on a complete structuring and implementation of the organizational Model and needs a special function to be created and provided for. To this purpose, the company avails itself of a Supervising Body and entrusts it with the assignment of checking that the Organizational model is appropriate, fulfilled, implemented, updated and complied with, as well as keeping the information flows to the Supervising Bodies of the other companies of the Group.

In order to carry out its function, the Supervising Body is given specific and autonomous powers of initiative and control aimed at effectively supervising the functioning of and the compliance with the Model.

Considering the adoption and effective implementation by the Company of models to organize, manage and control the corporate activity aimed at preventing illegal conducts to occur, in particular conducts involving the specific cases of predicate offenses provided for by law, the performance of surveillance by the OdV releases the legal person from liability for the related violation, pursuant to article 6, paragraph I, Legislative Decree 231/01.

4.1.2 Requirements

In order to let the OdV perform an effective activity and accomplish its goals, it is crucial to prevent interferences that may affect the autonomy and independence of the body, and consequently the accurate performance of its tasks.

Considering Angelini Beauty's corporate purpose and business, the Company, also in compliance with Confindustria Guidelines, pursues for its Supervising Body to be autonomous from external influences, independent from internal operational constraints and demands for professionalism as regards the suitability of competences and the concrete knowledge of the corporate structure, as well as perseverance in the performance of verification activities, to be developed constantly.

In particular, Angelini Beauty recognizes that in order to obtain autonomy, independence, professionalism and continuity conditions for the Supervising Body, it is necessary that:

- the OdV, as staff unit, shall be placed at the highest rank possible directly to the Board of Directors as a whole and to the Board of Statutory Auditors;
- the OdV is not assigned operational tasks such to prejudice its objective judgment;
- the Supervising Body may have appropriate operational and economic instruments and may avail itself, if deemed appropriate, of the direct collaboration by its own or the Group's companies' corporate resources in gathering the necessary information to carry out its activities;
- the composition of the Supervising Body, made up of members from inside and outside the corporate organization of the company itself or of the Group's companies, including members of their Supervising Bodies, expresses as a whole an appropriate background of expertise, analysis, inspection and checking tools and techniques;
- the tasks entrusted to external members, as well as the business tasks of internal members, are structured in such a way to ensure for them to regularly participate in OdV activities, so not to prejudice the steady development of the surveillance activity.

4.2 General principles for the establishment, appointment and replacement of the Supervising Body.

Angelini Beauty's Supervising Body is made up of one or three permanent members; in case of three members, one of them may be picked among the members of the Board of Directors, making sure that the members chosen within said body have not already been appointed with operational and management tasks. The members of the Supervising Body are appointed by the Board of Directors and shall remain in office for a maximum period of two years, until the approval date of the financial statements for the second year of validity of the mandate and, in any case, until the term of the Board of Directors which appointed them has expired, and may be re-elected.

The appointment as a member of the Supervising Body is subject to subjective requirements which guarantee their autonomy, independence and good reputation required by the tasks they have been conferred, in addition to the appropriate vocational skills.

In particular, the following are some examples of reasons for ineligibility:

- adverse judgment, even if not become *res iudicata*, or judgment imposing the penalty requested (the so-called plea bargaining), in Italy or abroad, for the offenses referred to in Legislative Decree 231/2001 or offenses affecting the personal and professional good reputation in any way;
- adverse judgment, even if not become *res iudicata*, or judgment imposing the penalty requested (the so-called plea bargaining), resulting in the disqualification, even temporary, from public duties, or the temporary disqualification from management duties for legal persons and companies;
- personal ineligibility conditions provided for the appointment as statutory auditor, or when there is any conflict of interests, even potential, regarding its own and the Group's companies' corporate structure;
- the actual performance of the duty as statutory auditor or member of the Board of Directors with operational and management functions in the company.

Should any of the above-mentioned reasons of ineligibility occur for an appointed entity, its office shall be automatically terminated, and a just cause for office revocation must be added in any case.

Therefore, the members of the OdV commit to:

- upon acceptance of the appointment, report to the Company on any personal or professional situation from which potential elements of conflict of interests may be inferred, as well as situations which may constitute reasons of ineligibility;
- when taking the office, observe the principles and purposes referred to in this Model and Angelini Beauty's Code of Ethics;
- promptly inform the OdV should any of the incompatibility issues mentioned above occur, as well as, in any case, to confirm their non-existence, on a yearly-basis.

In order to keep a high level of professionalism and the necessary continuity of its activities, the Supervising Body may avail itself - under its direct control and responsibility - of the collaboration of all the Company's functions and facilities in performing the assigned tasks, as well as external consultants appointed for the purpose, using their specific competences and skills, or of the communication and cooperation with the Supervising Bodies of the Group's other companies.

In this case, in order to limit any potential conflict of interests, the above-mentioned reasons of ineligibility as well as the obligations to provide information valid for the members of the Supervising Body shall be applied to the external consultants.

In order to guarantee the necessary stability to its members and the continuity in the activities of the Supervising Body, the revocation of said Body or the revocation of one of its members shall only be possible due to just cause and formalized through decision by the Board of Directors.

The reasons that legitimate the revocation of the Body include the organizational restructuring of the Company approved by the Board of Directors, subject to the opinion by the Board of Statutory Auditors, as well as the assignment to the members of the OdV of operational functions and responsibilities within the corporate organization which are incompatible with the autonomy and independence requirements, as well as the continuity of the activities by the Supervising Body.

The following additional cases shall justify, just as an example, the revocation of the OdV or its members for just cause:

- failing to draw up the annual information report on the activities carried out or the related yearly summary report to be submitted to the Board of Directors and the Board of Statutory Auditors, as described in the paragraph below;
- failing to draw up the supervision plan, as described in the paragraph below;
- failing to supervise or inadequate supervision by the Supervising Body, inferred by an adverse judgment, even if not become *res iudicata*, or judgment imposing the penalty requested (the so-called plea bargaining) issued against the Company, that ascertains the responsibility of the Company due to non-existence of the justifying cause pursuant referred to in article 6, paragraph I, letter d) of Legislative Decree 231/2001;
- impossibility to perform the functions it was assigned for at least 180 consecutive days;
- any other situation that may represent gross negligence by the OdV or one of its members while fulfilling the duties connected to the appointment.

In particularly serious cases, the Board of Directors, before adopting the related revocation measure, may in any case impose - having heard the Board of Statutory Auditors - that the powers of the Supervisory Body or of its members' office be suspended.

If made up of multiple members, in order to guarantee the independence of the Supervising Body, the activities shall be approved unanimously.

4.3 Functions and powers of the Supervising Body.

The Supervising Body shall adopt an internal regulation, providing for the methods to:

- appoint the President, if made up of multiple members;
- call sessions and draft the agenda;
- adopt its deliberations;
- record and file its activities and deliberations;
- make communications, provide information, submit reports and requests to the company's bodies, including those related to disciplinary issues;
- confer specific assignments, also inspection assignments, to its members, as well as auxiliary assignments to third parties;
- use and report on the equipment;
- draw up and submit the regular reports to the Board of Directors, the Board of Statutory Auditors and the Chairman of the Board of Directors, also giving information about the status of the relationships with the Board of Statutory Auditors and the status of any relationship with the Supervising Authorities.

In general, the Supervising Body is entrusted with the task of:

- supervising on the compliance with Model's provisions on preventing the offenses *referred* to in Legislative Decree 231/2001, by the recipients, expressly identified in the single special sections, in relation to the different types of offenses provided for;
- verify, according to the changes in the corporate structure and in regulations, the adequacy of the Model during time as well as its actual capability of preventing predicate offenses;
- evaluate the need for proposing any Model updates to the Board of Directors, even with the help of the different functions involved, as a result of the evolution of the corporate organizational structure, shareholding structure or efficiency of the company and the occurrence of regulatory amendments, as well as express opinions on any revision of the corporate policies and procedures, in order to make sure they comply with the Code of Ethics;
- supervise the adequacy of the systems of delegations of functions and the powers and duties conferred through them, in order to ensure the Model effectiveness.

From an operational point of view, Angelini Beauty's Supervising Body will be entrusted with the task to:

- gather, process and keep relevant information and reports concerning the compliance with the Model, as well as, if necessary, update the list of information to be transmitted to the Supervising Body by the relevant corporate functions or to be kept at its disposal;
- conceive and implement a program to regularly check the actual application, especially by the designated operational functions, of the corporate control procedures in the "Areas of risk activities" and to ensure they are up-to-date, adequate and effective, as well as the appropriateness of training processes on the principles and provisions of this Model;
- plan the constant and regular monitoring of the activities in the areas at risk, by checking their boundary and that they are up-to-date, also on the basis of the information received about the evolution of corporate activities and the shareholding structure;
- carry out the appropriate inspection tasks to ascertain any violation of the Model provisions, also taking into account the warnings which the corporate functions are in charge of, as well as those coming from any employee, concerning anomalies which may result in conducts that may expose the company to the risk of committing an offense;
- make sure that the precautions and the instructions provided for in the Model to prevent the different types of predicate offenses from occurring (e.g. adoption of standard clauses, execution of procedures, splitting of responsibilities, etc.) are appropriate and respond to the need to observe the provisions of the Decree. If not, it shall request for their updating or implementation;
- check the ethical rules which the Model is based on for full compliance, and inform the relevant corporate functions on any non-fulfillment or violation detected, as well as promote the adoption of the consequent decisions about the need for amend or implement the protocols adopted by the company, as well as decide on sanctions to be applied;
- ensure that the disciplinary system has been put into action by the Company, which is in charge of concretely applying the sanctions, provided that the corporate functions involved have been given the opportunity to discuss on the issue;
- take care of the dissemination of the Organization model within the company, also with the collaboration of the several managers of the corporate functions involved, both by promoting or verifying the promotion of information and training activities aimed at spreading its content, and by drawing up documents explaining its principles. The dissemination, which shall aim at the appropriate understanding of the Model and the principles therein, shall be implemented in a general way, but also through the adoption of special information techniques and "ad hoc" courses for those who take part in the execution of tasks in areas considered at

risk, regarding the commitment of predicate offenses. Any adopted update to the Model shall be followed by a new information and training activity which, according to the extent of the changes, will result in the corresponding implementation activity;

- cooperate with the different managers of the corporate functions to make sure that the internal organizational documents necessary to understand and implement the Model itself, containing instructions, clarifications or updates, are drawn up.

In order to fully execute its duties, the Supervising Body:

- puts its activities into action, as an autonomous and independent body, exempt from any obligations due to hierarchical subordination, without the opinion of any other corporate body or structure, and shall only report to the Board of Directors; to this purpose, appropriate support shall be guaranteed to its members who perform additional tasks and duties within the corporate organization, allowing the Supervising Body to perform its activities with the necessary diligence and in a properly detailed way;
- has free access to all the Company's functions, without having to provide any information and with no need for any prior approval, as well as has the right to ask for the collaboration of the same functions in order to obtain any information or data, including documents, deemed necessary for the performance of the tasks provided for in the Decree;
- may avail itself of the help from all the Company's structures, under its direct control and responsibility, or from the external consultants appointed for the purpose with methods which are in accordance with its internal regulations;
- has a proper *budget*, established by the Board of Directors in the yearly *budgeting* process, designed to cover the expenses necessary to carry out its functions (qualified consultancies, missions and travels, refresher courses, etc.).

4.4 Obligation to provide information to the Supervising Body.

The Supervising Body must be promptly informed, through a special internal communication system, on any actions, behaviors or events resulting in situations which may cause a violation, even just potential, of the Model or which, in general, may be relevant to the purposes of Legislative Decree 231/2001.

The obligations to inform the Supervising Body on any behaviors that do not comply with the provisions of the Model, as well as on any other warning coming also from third parties concerning the Model implementation, shall fall under the wider worker duty to be diligent and faithful as established by the Italian civil code.

Therefore, the fulfillment by the worker of the obligation to provide information shall not cause the application of disciplinary sanctions.

In regard to this, the following general provisions shall be applied:

- any warning concerning the following must be collected:
 1. acts or failures to act forming part of the cases of offense provided for in Legislative Decree 231/2001, or acts that may represent a de facto situation which may be linked to a reasonable danger to commit the offenses referred to in Legislative Decree 231/2001;
 2. acts or failures to act that are concretely inconsistent with the behavior rules issued by the Company in order to prevent the offenses referred to in Legislative Decree 231/2001 from being committed;
 3. behaviors that, in any case, may concretely result in the breach of the principles of the Model or the values of the Code of Ethics;
- the employees who become acquainted with acts, behaviors or events resulting in situations which may cause a violation, even just potential, of the Model or which, in general, may be relevant to the purposes of Legislative Decree 231/2001, may inform their immediate manager on that or, similarly, inform the Supervising Body directly;
- the employees who become acquainted with a fact or a conduct falling under the list in the paragraph above, shall inform the Supervising Body directly.

In order for the above-mentioned warnings to be promptly and effectively sent, the Supervising Body shall communicate to all the entities involved the methods and forms to transmit them; the Supervising Body shall evaluate at its own discretion and under its own responsibility the warnings received and the cases that require an intervention.

Those who, by fulfilling the above-mentioned obligation to provide information in good faith, shall be protected against any kind of retaliation, discrimination or penalization and, in any case, the privacy of the whistleblower identity shall be ensured, except for law duties and the protection of the Company and third parties.

In addition to the warnings on the general violations mentioned above, the corporate functions working within the sensitive activities shall transmit to the Supervising Body information about:

- i) the regular outcomes of the verification and control activities arranged by the corporate functions to implement the Model (among the others, those arising from the summary reports of the activity carried out, monitoring, information and training activities);
- ii) the anomalies or atypical aspects encountered in the information available (also considering the repetitiveness of facts which do not indicate a malfunction if taken alone, as well as the assessment of the extension of the area where said facts occurred). Said information may be about behaviors or events resulting in situations which may cause a violation, even just potential, of the Model or which, in general, may be relevant to the purposes of Legislative Decree 231/2001.

By way of example:

- conducts, including operational ones, that cannot be directly linked to behavior rules provided for in this Model and that are perceived as not conforming or potentially inconsistent with the principles and prevention goals pursued by it;
- measures, communications and/or news coming from the Judicial Authority or any other authority, also police or supervising authorities, from which the execution of investigations can be inferred, even towards unknown people, or the notification of remarks, for facts or conducts that may integrate the constitutive elements of the predicate offenses provided for in Legislative Decree 231/2001 and that may involve the Company;
- requests for legal assistance and the information forwarded by the employees in case a legal proceeding is initiated, even during preliminary investigations towards them, concerning conducts which may fall under the types of offense provided for in Legislative Decree 231/2001;
- reports received by the managers of other corporate functions within their control activity and that may show facts, acts, events or failures to act that are critical for the observance of rules and provisions of the Model, as well as reports that may show a situation which may cause a violation, even just potential, of the Model or which, in general, may be relevant to the purposes of Legislative Decree 231/2001;

- news about initiated disciplinary proceedings concerning conducts that may result in situations which may indicate a violation, even just potential, of the Model or which, in general, may be relevant to the purposes of Legislative Decree 231/2001, and any sanctions applied (including measures taken against the employees), or dismissal of said proceedings with the related motivations;
- any other information relevant to a correct and complete supervision and update of the Model.

4.5 Supervising Body obligation to provide information to corporate bodies.

The Supervising Body shall report on the implementation of the Model or on any critical aspects that may emerge, and communicates the outcome of the activities carried out. The following reporting lines are provided for:

- continuous, toward the Chairman of the Board of Directors, who shall report to the Board of Directors within the policy on the execution of the powers conferred;
- annually, toward the Board of Directors and the Board of Statutory Auditors;
- immediate, should any particularly relevant facts be ascertained, toward the Board of Directors and the Board of Statutory Auditors;
- annual, toward the Chairman Board of Directors on the relationships with the other corporate bodies and the Supervising Authorities.

The following shall also be provided for:

- when the Supervising Body becomes acquainted with conducts that may contribute to a violation of the Model or the Code of Ethics, it shall inform the Board of Statutory Auditors and all the Directors, and prompt the recipients to carry out the necessary inspections and to take the appropriate measures, having heard the Board of Statutory Auditors;
- when the Supervising Body becomes acquainted with conducts that may contribute to a violation of the Model by one or more Statutory Auditors, it shall inform all Statutory Auditors and the Board of Directors, and urge the recipients to carry out the necessary inspections and to take the appropriate measures, having heard the Board of Directors;
- as soon as the Supervising Body becomes acquainted with behaviors that may be a violation of the Model committed by subjects belonging to the business structure of the affiliated

companies, it shall inform the top function of said legal entity, or its Supervising Body, and demand to perform the necessary checks and to take the appropriate measures.

As regards the *reporting* line to the Board of Directors and the Board of Statutory Auditors, the Supervising Body shall also be in charge of preparing:

- a report on the activities carried out (the specific control and verifications performed and their outcomes, any updating of the mapping of the sensitive processes, etc.) on an annual basis;
- as soon as possible, a warning on any new regulations on the administrative liability of entities.

4.6. Reports and information flow between the Supervising Body of Angelini Beauty and the Supervising Bodies of the Group's other companies

The Supervising Bodies of Angelini Beauty and the Group's other companies cooperate with transparency and mutual respect of their rights to autonomy and independence.

Following the warnings of anomalies or possible violations of this Model from the Supervising Body of other companies of the Group, Angelini Beauty's Supervising Body shall go ahead with the necessary checks and, if required, take the appropriate actions and implement the policies regarding its internal corporate organization.

4.7 Functioning of the Supervising Body and planning of control activities to monitor sensitive activities with respect to predicate offenses

The Supervising Body shall meet regularly, at least on a six-month basis, summoned by its Chairman or upon request by the Board of Directors or the Board of Statutory Auditors, as well as upon request by one of the members of the Supervising Body itself.

The Supervising Body, through its regulations, sets the methods to summon, conduct and recording of the meetings, the methods to adopt and keep the decisions, as well as to keep the book of the meetings.

As the assignments of the Supervising Body and its supervision and control duties are specific, the Supervising Body may avail itself of the help of the managing corporate functions and their staff. Furthermore, it may decide to engage a specific staff or, should specific skills be needed to carry out

the activities it is in charge of, to avail itself of external entities having the appropriate professional qualifications.

While carrying out its activities, the Supervising Body is allowed free access to all the relevant corporate documents concerning the cases of sensitive activities, as well as access to the places where they are stored, and shall be entitled to acquire the information deemed relevant directly from each corporate function.

The Supervising Body shall draw up special minutes and keep them according to the methods established by its regulations on any control activities, access to places and collection of information.

In order to verify that:

- the activities comply with the principles expressed in this Model and with the values of the Code of Ethics;
- the internal procedures adopted to implement this Model have been applied;
- the general and specific behavior rules provided for in this Model to prevent predicate offenses have been complied with;
- the required information flows within the company as well as the required communications to the Supervising Authorities have been executed;

the Supervising Body regularly performs sample checks on the cases of sensitive activities related to the predicate offenses, established the plan of checks on a yearly basis, coordinates them with any warning received and arranges any related proper investigation.

In particular, the Supervising Body is in charge of the consequent task to:

- report the outcomes of the supervising and control activity to the Chairman of the Board of Directors and the Chief Executive Officer;
- prepare at least on an annual basis a report for the Board of Directors and the Board of Statutory Auditors on the activities performed;
- prepare, on a yearly basis, in addition to the schedule of the supervision activities planned for the next year, an annual report to the Chairman of the Board of Directors on the status of relations with the Board of Statutory Auditors and the status of any relations with the Supervising Authority;
- report, as soon as possible, to the Board of Directors and the Board of Statutory Auditors on any ascertained facts which are particularly relevant pursuant to Legislative Decree 231/2001;

- receive the anomaly warnings gathered during the activities, concerning behaviors detected in the execution and on the occasion of the supply of services by Finaf S.p.A. to the Supervising Body.

4.8 Collecting and keeping information.

Information, warnings and reports provided for in the Model shall be kept by the Supervising Body in a special archive (IT or paper-based), according to the methods established in its regulations. The access to information, warnings and reports provided for in the Model shall be disciplined the same way. The Recipients may apply for consultation upon justified request.

CHAPTER 5

DISCIPLINARY SYSTEM

5.1 Purpose of the disciplinary system

As a fundamental condition to ensure the real and effective fulfillment of the Organization, management and control model, the Legislative Decree 231/2001 specifies the introduction of a disciplinary system suitable for the punishment for those who shall not respect the measures stated in the Model.

Therefore, the definition of a suitable disciplinary system represents a fundamental requirement of the distinctive value of the organization, management and control model in respect to the administrative responsibility of entities.

Every verified violation of the provisions included in the Model and in the Code of Ethics shall cause the application of a disciplinary penalty, regardless of the commission of an offense, the potential execution and the outcome of a criminal proceeding initiated by the judiciary authority.

Angelini Beauty shall remain entitled to demand for compensation for damages deriving from the violation of the Model by its own recipients.

The behavior and preventive provisions indicated on the Model, whose violation is to be punished, are transmitted by an internal newsletter to all employees, in compliance with the training and communication plan adopted by the Company, they bind all Company's employees and they are posted upon a place which is accessible to everybody.

5.2 Recipients

The disciplinary system is intended for the following persons:

- those who have representation, administration or management powers in Angelini Beauty (referred to as “top”);
- those who are subordinated to the management or to the surveillance of “top” subjects (referred to as “subordinates”);

- those who worked on assignment by the Company as co-workers, consultants, temporary workers, mediators, emissaries, representatives, agents, and intermediaries, as well as customers, contractors, sub-contractors or suppliers of the aforementioned Company (referred to as “external coworkers”);
- as well as the members of the Board of Statutory Auditors and the Board of Directors, considering their function with reference to their tasks on surveillance, control and information duty to the OdV.

The sanction system particularly applies to the entire corporate staff, with specific modalities and measures according to the performed functions and the category of the position pursuant to article 2095 of the Italian Civil Code.

The disciplinary system is subject to the constant verification by the Supervising Body and by the HR Department manager, having the latter the task and responsibility to actually implement the disciplinary measures to the corporate staff, upon any warning from the Board of Directors and after having heard the immediate manager of the person who committed the censored conduct.

5.3 General criteria for the application of disciplinary sanctions

The following general evaluation parameters shall be considered for the identification of the type and size of each sanction, to be determined in proportion to the seriousness of the illegal conducts:

- intensity of the intentional behavior or the level of negligence, imprudence or malpractice of the unintentional behavior, with reference also to the predictability of the event;
- worker’s tasks and level of technical and hierarchical responsibility;
- worker’s overall behavior with particular attention to the potential existence of any previous noticeable disciplinary misconduct within limits allowed by law;
- any shared responsibility with other workers who participated in determining the commitment of the misconduct and the functional positioning of the staff involved in the circumstances;
- importance of the violated duties;
- seriousness of the danger related to the wrong conduct and extent of any damage caused to the Company, also as a consequence of any application of the related sanctions referred to in Legislative Decree 231/2001;

- any other particular circumstance associated with the disciplinary offense of which the wrong conduct consists.

Angelini Beauty shall remain entitled to demand for compensation for damages deriving from the violation of the Model by an employee.

Any compensation for damages requested shall be commensurate with:

- the level of responsibility and the autonomy of the employee who performed the disciplinary violation connected to the violation of the behavior rules in this Model and in the Code of Ethics;
- the existence of any previous disciplinary misconduct charged to the employee;
- the intentionality degree of their behavior;
- the seriousness of the caused effects, meaning by that the degree of risk to which the Company reasonably considers having been exposed because of the misconduct, in compliance with the regulations of the Legislative Decree 231/2001.

5.4 Violations of the model.

In accordance with the current regulations and the typicality principles of violations and sanctions, Angelini Beauty intends to make its recipients acknowledge the provisions and the behavior rules included in the Model, whose violation represents a disciplinary misconduct, as well as the applicable sanctions considering the seriousness of the violations.

Without prejudice to the duties deriving from the Labor Statute, the behaviors which represent a violation of the Model, together with the related sanctions, regarding the specific function performed, while exercising the hierarchical powers or, respectively, within the limits deriving from the system of delegations of functions, as well as the assigned task within the corporate organization, are the following ones:

- a) failure to comply with the provisions of the Model and the internal procedures oriented to guarantee the execution of the activities in compliance with law, particularly to prevent risk situations relevant to Legislative Decree 231/2001;
- b) act or failure to act forming part of the constitutive elements of a predicate offense for the purposes of Legislative Decree 231/2001;

- c) misappropriation, destruction or alteration of the documents provided for in internal procedures, or rather accomplishment of a conduct that prevents the control or the access to the information and to the documents addressed to appointed subjects, including the Supervising Body, as well as the violation and/or avoidance of internal control systems;
- d) failure to comply with the duty to provide information to the Supervising Body, or rather violation of hierarchical reporting duties concerning conducts or circumstances which are relevant for the purposes of Legislative Decree 231/2001;
- e) failure to comply with the behavior rules provided for in the Code of Ethics;
- f) lack of surveillance on the compliance with the procedures and provisions of the Model by hierarchically or functionally subordinate subjects, with reference to the verification of conformity of their conduct within crime risk areas relevant to Legislative Decree 231/2001 and, in any case, during the execution of activities which are considered ancillary to those contemplated as sensitive;
- g) failure to comply with behavior duties on protection of occupational health and safety in compliance with Legislative Decree (art. 20 Legislative Decree dated April, 9 2008, no. 81), or rather with specific corporate instructions;
- h) violation of behavior duties, or surveillance and control duties on the subject of environment protection as by law (referred to conducts in conformity with Legislative Decree 121/2011), by internal procedures and corporate instructions, with regard to the compliance with provisions in the permits to carry out environmentally relevant activities;
- i) failure to comply with the provisions mentioned in specific contract clauses regarding the regulations of the Model and of the Ethical Code, oriented to the prevention of crimes pursuant to Legislative Decree 231/2001.

5.5 Measures and sanctions for subordinate employees: Managers, White Collars and Blue Collars

The compliance with the provisions and behavior rules indicated in the Model and in the Ethical Code represents, for all employees in Angelini Beauty, the fulfillment of the duties provided in art. 2104, second paragraph, Italian Civil Code. The content of the Model itself constitutes an integral and substantive part of said duties.

Regarding the relevant behaviors on the protection of occupational health and safety, therefore with particular regard to the relevant conducts pursuant to art. 25 *septies* of Legislative Decree 231/2001, as well as on the environmental protection and with particular regard to relevant conducts pursuant

to art. 25 *undecies* of Legislative Decree 231/2001, the sanction system applies also to Angelini Beauty employees who are employed as Blue Collars.

It is also specified that those employees who do not have a managerial role are subject to the related National Labor Collective Agreement.

The disciplinary measures shall in any case be implemented towards subordinate employees in compliance with art. 7 of law dated 20th May 1970 no. 300 (so called “Statute of Workers”) and any applicable special rule.

Therefore, pursuant to the combined provisions of article 5, letter b) and article 7 of Legislative Decree 231/2001, provided the preventive notification and the procedure required by art. 7 of law no. 300 dated 20th May 1970 (so called “Statute of Workers”), the sanctions mentioned in this paragraph shall be applicable to managers, white collars and blue collars (considering the latter with the indicated limits) employed by the Company, or outsourced staff at third party facilities (including corporate functions performed in execution of service contracts at third party facilities) who commit disciplinary offenses connected to the violation of the behavior rules included in this Model or Code of Ethics.

For each notice of conduct which may constitute a violation of the Model or the Code of Ethics, a disciplinary measure shall be implemented in order to verify the violation. In particular, during the verification stage the charge shall previously be notified to the employees and, moreover, an adequate deadline for the reply shall be guaranteed for the purpose of their defense. Once the violation has been verified, a disciplinary sanction shall be assigned to the perpetrator proportionally to the seriousness of the crime and its potential recidivism, as well as to the general application criteria of the described sanctions, otherwise the disciplinary measure shall be canceled.

It shall be understood that the procedures, the provisions and warranties provided for by art. 7 on the Statute of Workers shall be respected, and non-managerial employees shall respect also the agreement rules on disciplinary measures

In particular:

- for all disciplinary measures the written notification shall be issued to the employee, with specific information about the facts considered as infraction;
- the disciplinary measure may not be issued before 5 days have passed from such notification, during which the employees shall have faculty to submit their justifications. In case the measure is not issued within the following 5 days, said justifications shall be considered as accepted;
- the application of the measure shall be justified and notified in written;

- the employees shall have faculty to submit their justifications even orally;
- any disciplinary measure other than dismissal may be contested by the employees through negotiations discussed with the unions, according to contract rules provided for by art. 67;
- any disciplinary sanction occurred more than two years before its application shall no longer be considered for any effect.

The disciplinary measures to be adopted for non-managerial employees in case of violation of the Model and the Code of Ethics, following the above mentioned disciplinary proceeding, are those provided for by disciplinary rules as per the related National Labor Collective Agreement, and precisely, depending on the seriousness of the violation:

- verbal warning;
- written warning;
- fine not exceeding three working hours salary;
- suspension from service and salary until a maximum of three days;
- dismissal.

5.6 Measures and sanctions toward managers

In case of conducts that may constitute a violation or fraudulent avoidance by managers of the Code of Ethics, the behavior rules of the Model and of the internal procedures and the rules of conduct potentially applicable directly to the managing staff, as well as in case of adoption, while performing tasks which are connected to Cases of sensitive activities, of non-compliant conducts to the reasonable requests requested by managers, in relation to the performed role in the company and to the responsibility level assigned to them, always with reference to the principles expressed in this document and in the Organization and management model adopted, as well as in case of lack of surveillance on the proper application, by the employees subjected to it, of the Code of Ethics, the internal procedures and behavior rules adopted in order to execute the principles expressed in this document, the Company shall implement, proportionally to the seriousness of the improper conducts, the most appropriate measures in compliance with the applicable laws, and also the alteration or the revocation of the powers and mandates conferred.

5.7 Measures toward directors

Upon being informed of conducts which may constitute a violation or fraudulent avoidance of the organization and management provisions and of the behavior rules of the Model or the Code of Ethics by members of the Board of Directors, the Supervising Body shall promptly inform the entire Board of Statutory Auditors and the Board of Directors on the facts.

The subjects who are addressee of the notification by the Supervising Body shall take suitable measures, according to what provided by the Statute, included the amendment or revocation of the delegations of authority conferred, in order to adopt the most adequate measures according to the law, proportionally to the seriousness of the improper conducts, first of all the summoning of the meeting.

5.8 Measures toward statutory auditors

Although statutory auditors are top subjects, they conform to the principles of the Model and the Code of Ethics in relation to the performed task in the Company also with reference to the institutional tasks they have on supervision, control and information duties toward the Supervising Body.

Upon being informed of conducts which may constitute a violation of the provisions and behavior rules of the Model or the Code of Ethics by one or more Statutory Auditors, the Supervising Body shall promptly inform the entire Board of Statutory Auditors and the Board of Directors on the facts. The subjects who are addressee of the notification by the Supervising Body shall take suitable measures, according to what provided by the Statute, included for example the summoning of the shareholders' meeting, in order to adopt the most adequate measures according to the law.

5.9 Measures toward commercial partners, agents, consultants, collaborators

The compliance with the Model and the Code of Ethics of Angelini Beauty and the commitment to observe its behavior rules, as applicable, and its values, as well as the commitment to keep from performing acts that may result in a violation of said principles by the corporate staff of the Company Angelini Beauty, are referred to in special contractual clauses, including termination and

criminal clauses, which govern the relationships with business partners, agents, consultants, external co-workers or other entities having contractual a relationship with the Company.

The violation of said commitments, as well as the failure to comply with the above-mentioned provisions shall be punished according to what provided for in said clauses and shall cause the related penalties to be applied or the contract to be terminated, without prejudice to Angelini Beauty's right to demand for compensation for the damages suffered.

CHAPTER 6

TRAINING AND COMMUNICATION PLAN

6.1 Foreword

In order to effectively implement the Model, Angelini Beauty intends to ensure a proper dissemination of its contents and principles both within and outside its organization.

In particular, Angelini Beauty has the purpose of extending the communication of the Model contents and principles not only to its employees, but also to people who work to achieve the goals of Angelini Beauty under contractual relationships even if they do not appear as formal employees.

The communication and training activity shall be diversified depending on its recipients, but it shall also be, in any case, imbued by principles of completeness, clarity, accessibility and continuity in order to transmit to different recipients the full awareness of the corporate provisions that they are expected to comply with and the ethic regulations which shall inspire their conduct.

The communication and the training on Model principles and contents shall be guaranteed according to what is specified and planned by the Supervising Body, identifying the best modality of fruition of such services (e.g. training courses, information programs, dissemination of information material).

The communication and training activity is supervised by the Supervising Body, whose assignment is also to “promote and define the initiatives for the diffusion of knowledge and understanding of the Model, as well as the staff training and consciousness of complying with the principles of the Model” and to “promote and elaborate communication and training interventions on the Legislative Decree contents and its effects on the corporate activity and the behavior rules”.

The content of the communication included in this chapter shall enclose, as an essential part, the Code of Ethics of the Company.

6.2 Employees

Every employee must:

- become aware of the principles and contents of the Model;
- know the operational modalities by which his/her activity shall be executed;
- actively contribute, in relation to his/her responsibility and role, to the efficient fulfillment of the Model, reporting any lacks found in it;
- participate in training courses, diversified depending on the different sensitive activities.

In order to ensure an effective and rational communication activity, Angelini Beauty intends to promote and facilitate the knowledge of the contents and principles of the Model among the employees, with diversified depth of analysis according to their position and role.

Each employee shall receive from the Human Resource Department a copy of the Code of Ethics and a summary of the fundamental principles of the Model, together with a communication explaining the fact that the compliance with its principles is a condition for the correct execution of the employment relationship.

The copy of such communication, signed by the employee, shall be maintained at disposal of the Supervising Body by the Human Resource Department.

A full-length paper copy of the Model shall be available for the members of the corporate bodies, the managers and the staff having the power to represent Angelini Beauty. A full-length paper copy of the Model shall be delivered to new managers and new members of corporate bodies at the moment of the acceptance of their role; they shall also sign a declaration of observance of the Model.

Suitable communication tools shall be implemented in order to update employees about possible changes to the Model, as well as any significant change in the procedures, regulations or organization.

The Human Resource Department is responsible for the compliance with the provisions referred to in the paragraphs above.

The Supervising Body reserves the right to promote any training activity which shall be considered suitable for the purposes of proper information and consciousness about the topics and the principles of the Model.

6.3 Other recipients

The communication activity of contents and principles of the Model shall also be addressed to third parties who maintain collaboration relationships regulated by contracts with Angelini Beauty or who represent the Company without being its employees, as well as the top functions of Angelini Beauty. In order to ensure the knowledge of the ethical principles inspiring the company activity, Angelini Beauty shall transmit the Ethical Code to its suppliers with an attached letter imposing the compliance with such principles for the correct execution of the contract.

CHAPTER 7

MODEL IMPLEMENTATION – MODEL UPDATING AND ADJUSTING CRITERIA

7.1 Implementation of the Model

Angelini Beauty S.p.A. considered necessary to start and finish the internal project oriented to the preparation of an organization, management and control Model in compliance with provisions under Article 6 of Legislative Decree 231/2001.

7.2 Checks and controls on the Model

The Supervising Body shall draw up a yearly supervising program where it broadly plans its activities and provide for: a calendar of the tasks to be done within the year, the determination of the frequency of checks, the individuation of analysis criteria and procedures, the possibility of carrying out checks and unscheduled controls.

During the execution of its activity, the Supervising Body can use both functions and facilities which are inside the Company with specific competency in business activities from time to time exposed to checks, and external consultants as regards the execution of technical operations which are necessary for the performing of the control function. In that case, the consultants shall always communicate the results of their actions to the Supervising Body.

During checks and inspections, the Supervising Body is given the broadest power in order to effectively perform the assigned tasks.

7.3 Update and adjustment

The Board of Directors deliberates about the update of the Model and its adjustment in relation to changes and/or integrations that may be necessary in consequence of:

- violations of Model provisions;
- changes in the Company's internal structure, shareholding structure, and/or methods of execution of corporate activities;
- legislative changes;
- control results.

Once approved, all changes and instructions for their immediate application are transmitted to the Supervising Body which, in turn, shall promptly make the same changes operative and handle the proper transmission of the contents within and outside the Company.

The Supervising Body shall also provide, by appropriate report, to inform the Board of Directors about the outcome of the activity undertaken in compliance with the deliberation deciding the update and/or adjustment of the Model.

In any case, the Supervising Body maintains clear tasks and powers regarding the handling, development and promotion of the constant update of the Model. For that purpose, it expresses observations and proposals pertaining to the organization and the control system, the corporate facilities in charge of that purpose or, in cases of particular relevance, to the Board of Directors.

In particular, in order to guarantee that the Model's alterations shall be operated with the necessary promptness and effectiveness, without incurring in coordination flaws between operational processes, the provisions included in the Model and their diffusion, the Board of Directors considered to empower the Supervising Body with the task of making, on a regular basis, if needed, changes related to descriptive aspects of the Model.

It is hereby specified that by the expression "descriptive aspects" we refer to elements and information resulting from deeds deliberated by the Board of Directors (e.g. the redefinition of the organizational chart) or from business functions holding a specific mandate (e.g. new corporate procedures).

In occasion of the presentation of the yearly summary report, the Supervising Body presents to the Board of Directors a dedicated informative note of all the variations produced in compliance with the received power of attorney in order to have it authorized by the Board of Directors.

In any case, the deliberation of updates and/or adjustments of the Model due to the following reasons remains of exclusive competence of the Board of Directors:

- intervention of legislative changes on the topic of administrative liability of bodies;
- identification of new sensitive activities, or variation of those previously identified, also possibly connected to the starting of new business activities;
- commitment of the crimes as per Legislative Decree 231/2001 by the recipients of the Model provisions or, in general, of significant Model breaches;
- observation of flaws or gaps in the Model provisions following checks on its effectiveness.

In any case, the Model shall be subjected to regular reviews, every three years, to be decided through deliberation by the Board of Directors.

7.4 First application of the Model and implementation of innovations.

Due to the complexity of the Model and its deep intertwinement with Angelini Beauty S.p.A.'s structure, it shall be necessary to develop an operative Program of reception of innovations along with its introduction in the corporate system.

Such program shall pinpoint the requested activities aiming at achieving the effective implementation of the principles of reference for the Model construction which are included in the present document with clarification of responsibility, time and modality of execution.

The program shall be observed by all involved subjects with maximum rigor, as it is oriented towards the prompt and complete fulfillment of all expected measures in compliance with the provisions and the purposes of the discipline provided for by Legislative Decree 231/2001.

The program shall be arranged in every occasion in which it will be necessary to proceed to Model updating and adjusting interventions and it shall identify the necessary activities in order to achieve the effective acknowledging of the Model's contents with definition of responsibility, time and modality of execution.

	DECLARATION OF ACKNOWLEDGEMENT AND ACCEPTANCE	ANGELINI IMMOBILIARE S.P.A.
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I, the undersigned -----, born in-----, on --/--/----, in the quality of ¹-----
 ----- of the Company Angelini Beauty S.p.A., hereby declare to have received by e-mail, read,
 understood and accepted my personal copy of the “Organization, Management and Control Model”
 as per Legislative Decree 231/2001 of Angelini Beauty S.p.A.”, as approved by the Board of
 Directors on 05/08/2018

Place, ----- Date -----

Signature for acceptance

By providing my signature below, I give my explicit consent, as per Legislative Decree 196/2003, to
 the collection and processing of my personal paper and/or electronic data performed in compliance
 with existing laws through the Company’s Human Resource Department, and the Supervising Body.

Place, ----- Date -----

Signature

¹ Manager, Employee, Agent.