

PRADA Group

Code of Ethics

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Introduction

PRADA spa, the operating holding company of the PRADA Group (hereinafter the “PRADA Group” or simply the “Group”), active in the luxury goods sector, and in particular in the creation, production, promotion and distribution of superior bags and accessories, clothing, footwear, eyewear and cosmetics, has always based the conduct of its activities on principles of ethical integrity. In furtherance thereof, PRADA spa considers it appropriate to provide the Company itself, and the Group, with a code (hereinafter “Code of Ethics”) that expresses these values and establishes the principles and rules of conduct deriving from them. The corporate bodies, the management, the employees, the external collaborators and any other individual or entity that co-operates with the PRADA Group in any manner whatsoever, are required to abide by the rules of this Code.

The Code of Ethics of PRADA spa and the companies of the Group, therefore, comprises the principles and the general rules of conduct which must be observed in order to guarantee the good functioning, reliability and reputation of PRADA spa and of the companies directly or indirectly affiliated to the same.

PRADA spa, like all the companies of the Group, is particularly concerned to promote the application of the principles contained in the Code of Ethics to its activity, in the conviction that ethics in the conduct of business is at the basis of the success of the enterprise and represents the best expression of its image, an element which is a primary and essential value for the Group.

In drafting the Code of Ethics, PRADA spa has also taken into consideration the prevention and countering of criminal offences to which all Italian companies are subject pursuant to Legislative Decree no 231 of 8 June 2001 of Italy governing the administrative liability of legal entities (hereinafter also the “Decree”). Hence the Code of Ethics represents a fundamental component of support for the Organisational, Management and Control Model adopted by PRADA spa in compliance with the above-mentioned law for the prevention of offences as envisioned in the Decree.

1 Sphere of application and addressees

This Code of Ethics is addressed to all corporate bodies and the components of the same, to the management, the employees, the external collaborators, the consultants and assistants of any kind, the agents, proxies and any other entity that may act in the name and on behalf of PRADA spa and, in general, to all those with whom PRADA spa and the other companies of the Group may come into contact in the course of their activity (hereinafter the “Addressees”).

The PRADA Group considers compliance with the laws and regulations applicable in all the countries in which it operates, and correctness and transparency in the conduct of business, as an essential principle of its activity.

Consequently, the PRADA Group fosters the creation of an environment characterised by a strong sense of ethical integrity, in the conviction that this also makes a decisive contribution to the efficacy of the policies and the systems of control.

More specifically, the managers of the companies of the Group are bound to take inspiration from the principles of the Code of Ethics in establishing the corporate objectives, in proposing investments and in implementing projects, and in any decision or action whatsoever relating to management.

Similarly, in materially implementing the management activities of the companies of the Group, the directors and the corporate function managers must take inspiration from the same principles, both internally – thus reinforcing cohesion and the spirit of reciprocal collaboration – and in relation to third parties, with the explicit prohibition on resorting to illegitimate favouritism, collusion, corruption and/or the solicitation of personal advantages for oneself or for others.

PRADA spa and the companies of the Group undertake to ensure the maximum dissemination of this Code of Ethics, preparing any instruments that may appear useful for fostering knowledge and performing a process of awareness-raising regarding its contents, as well as constantly monitoring the degree of observance within the Group itself, and finally to take care of the updating in line with the organisational, commercial and financial developments of the Group.

The Addressees must therefore contribute actively to the implementation of the Code of Ethics and report any problems or deficiencies to PRADA spa’s Supervisory Body or to the competent controlling body of the other companies of the Group.

2 Ethical principles

PRADA spa considers the respect for the ethical principles set forth in the present Code of Ethics to be an essential condition for the achievement of the primary objective of the PRADA Group, consisting of the creation of value for its shareholders, for those who work in the PRADA Group, for the customers and for the community as a whole. This is the direction in which the industrial

and financial strategy and the operational conduct is oriented, inspired by transparency and efficiency in the utilisation of resources.

In the achievement of its objectives, PRADA spa and the companies of the Group adhere to the following ethical principles (hereinafter also the “Principles”):

- compliance with the legislative and regulatory provisions in all countries in which the PRADA Group operates;
- legitimacy, loyalty, correctness, transparency;
- confidentiality;
- respect for the value of the person and the human resources;
- respect for competition, as a crucial instrument for the development of the economic system;
- respect for the environment and raising awareness regarding environmental protection.

2.1 Application of the ethical principles: obligations of the addressees

The directors, auditors, managers and heads of departments and/or divisions of PRADA spa and the companies of the Group are required to comply with the present Code of Ethics and to conform their activities to values of loyalty, honesty and good faith, correctness and integrity. They are required to abstain from any activity which may be considered, even potentially, in conflict with the interests of PRADA spa and the companies of the Group, making timely communication to PRADA spa’s Supervisory Body or to the competent controlling body of the other companies of the Group, for the necessary appraisal, of the emergence of a personal interest in the performance of the corporate activity.

The employees and collaborators, contributing to the achievement of the corporate purpose, must work with professional rigour, loyalty, honesty and good faith, correctness, commitment and reciprocal spirit of collaboration.

The relations between employees of whatever level, and between them and the third parties with whom they come into contact in the course of the working activities performed, must be marked by criteria of collaboration, loyalty and reciprocal respect.

All actions, operations, negotiations and, more generally, any activity performed by employees and collaborators must comply with the rules of transparency, completeness and truthfulness of the information, as well as with the corporate procedures.

More specifically, employees and collaborators are required to:

- know and comply with the internal procedures in respect of permits, holidays, expense refunds, ensuring in the latter case to supply adequate documentation;

- know and implement all the corporate provisions on regarding the security and dissemination of the information concerning the PRADA Group and its competitors;
- utilise the corporate assets with diligence and solely for purposes connected with the performance of the tasks entrusted to them;
- utilise the information systems with care, with an absolute prohibition on tampering with the data contained in the same;
- not utilise the name or reputation of the PRADA Group for personal ends;
- diligently observe the provisions of the present Code of Ethics, abstaining from any conduct in violation of the same;
- offer the utmost collaboration in the ascertainment of possible and/or alleged violations of the present Code of Ethics;
- inform the third parties who enter into relations with the Group of the provisions of the Code of Ethics, requesting them to abide by the same.

2.2 Value of the person and of human resources

PRADA spa promotes the value of the human person through the respect for physical, cultural and moral integrity, protecting its own employees and collaborators from discriminations on ground of nationality, race, ethnic group, religious belief, political and trade union affiliation, language, age, gender and sexuality. In this sense, the Addressees must actively collaborate to maintain a climate of reciprocal respect for the dignity and competencies of each individual.

The PRADA Group considers its own employees and collaborators a precious and indispensable resource for its very existence and for its future development. It considers essential to ensure management uniformity and consistency in all the companies and countries where the Group operates, in compliance with local culture and laws.

The PRADA Group pursues the excellence and valorisation of the spirit of innovation, in accordance with the limits of responsibility of each individual and, at the same time, promotes people's involvement in their own professional growth project. Management and employees are encouraged to assume responsibilities and to work to win challenges and achieve corporate objectives. The Group's entrepreneurial culture recognizes, promotes and rewards individual proactiveness and teamwork.

In order to valorise the skills and competencies of its own employees, the PRADA Group adopts criteria of merit and guarantees equal opportunities to all, without discrimination of any kind, such as:

- personnel selection and assessment are performed on the basis of objective criteria founded on the correspondence of professional profiles and candidates' competencies with corporate needs, ensuring candidates equal opportunities;

- the information collected within the scope of the selection process is strictly related to the verification of the professional profile being sought, respecting the private sphere of candidates and their personal opinions;
- the personnel are recruited in conformity with the types of contract envisioned by the laws in force in the countries where the Group operates and by any national labour agreements if applicable;
- the attribution of tasks is defined considering the competencies and skills of the individuals, on the basis of the requirements of the companies of the PRADA Group and of the professional growth of its own employees;
- the Group's management, training and development policies are aimed at supporting employees during their professional growth path and at constantly updating their managerial and technical skills in order to allow individuals to best perform their roles and to achieve corporate objectives;
- the remuneration system is defined on the basis of the role of employees and of the required skills and competencies, as well as of the results achieved and of the continuous and systematic interaction with the external reference market;
- the collection of information, and the collection and production of documents during the selection and management process, as well as their preservation on paper or computer support are in compliance with privacy laws in force in the various countries.

PRADA spa and the companies of the Group guarantee working conditions that respect the dignity of the person, and in this sense censure any conduct that is damaging or discriminatory towards the person, even in relation to his or her convictions and preferences, and expressly condemn any form whatsoever of psychological, physical and sexual harassment.

PRADA spa and the companies of the Group exert themselves to embed a culture of health and safety for the workers in the workplace, fostering risk awareness and stimulating individual responsibility.

The PRADA Group acts towards its employees and collaborators in complete compliance with the provisions of Italian laws on health and safety at work, laid down in Italian Legislative Decree no. 81 of 9 September 2008 and subsequent amendments and additions, or with local laws and regulations applicable in the various countries.

2.3 Confidentiality

In compliance with Legislative Decree 196/2003 of Italy, the "Personal Data Protection Code", and with the individual local laws in the case of foreign companies, the PRADA Group protects the personal data processed in the framework of its activities so as to avoid improper or even illegal use of the same, adopting to this end specific procedures aimed at:

- adequate information for the data subjects;
- acquisition of the consent of the data subjects where necessary.

PRADA spa and the companies of the Group apply and constantly update policies and specific procedures for the protection of the information.

Each Addressee must moreover adopt the utmost confidentiality in his or her conduct, even outside working hours, in order to protect the technical, financial, legal, administrative, personnel management and commercial know-how of the company.

Moreover, all those who, as a consequence of the performance of their duties, have at their disposal confidential and significant information, are bound to avoid any improper use or undue dissemination of such information.

More specifically, each Addressee is bound:

- to process only the data and information necessary for the purposes of the area in which he or she performs his or her activity;
- to communicate the data and information in compliance with corporate procedures in force;
- to conserve the data and information so that the same are inaccessible to unauthorised entities.

2.4. Correctness and transparency of accounting and internal control

In its bookkeeping, the PRADA Group maintains strict compliance with the applicable legislation and regulations regarding the drafting of the financial statement, and more generally, the obligatory management and accounts documentation.

The accounting records of the management and the corporate information and data are supplied to third parties in compliance with criteria of transparency, correctness, accuracy and completeness.

All actions, operations and transactions must be correctly registered in the corporate accounting system in line with the criteria laid down by law and the applicable accounting principles and must, moreover, be duly authorised, verifiable, legitimate, consistent and congruent in compliance with internal procedures.

The Addressees are bound to provide the utmost collaboration so that the management affairs are correctly and rapidly recorded in the corporate accounts, and to conserve all the appropriate supporting documentation so as to render it easily available for consultation by the entities appointed to supervision and control.

The PRADA Group requires and promotes full compliance with the processes of internal control as a tool for the improvement of corporate efficiency.

The internal control system consists of the activities of control performed by the individual corporate functions on their own processes in order to protect the corporate assets, effective management of corporate activities and provide clear information on the equity, economic and financial status of the PRADA Group,

and of the activities aimed at the identification and containment of corporate risks.

The Addressees are bound, to the extent of their competence, to collaborate actively in the correct and efficacious functioning of the system of internal control.

The appointed corporate functions are guaranteed free access to the data, the documentation and any other information pertinent to the performance of the activities of control.

3 Relations with third parties

The PRADA Group is particularly attentive to developing a relationship of trust with all its potential interlocutors.

In the performance of its activities, PRADA spa and the companies of the Group adhere to principles of loyalty and correctness, requiring honest, transparent and legitimate conduct from all those operating on their behalf, and not tolerating corruption or collusion or undue favouritism.

In the performance of any activity connected with PRADA spa or other companies belonging to the Group, employees and collaborators are prohibited from giving/offering and/or accepting/receiving gifts, benefits and/or any other utility, personal or otherwise, with the exception of gifts of modest value incident to normal courtesy or commercial practice.

3.1 Relations with customers

The relations with the customer must further, as far as possible and in compliance with the corporate procedures, the maximum satisfaction of the customer.

The customers must be provided with exhaustive and accurate information about the products supplied, such as to enable them to make informed decisions.

PRADA spa and the companies of the Group guarantee adequate standards of quality for the products offered, and are engaged in periodically monitoring product quality.

3.2 Relations with suppliers and external consultants

The selection of suppliers and external consultants is performed according to criteria of competence/professionalism, economic expediency, correctness and transparency.

In the selection of the suppliers and external consultants, as in the determination of the purchase terms for goods and services, or the commissioning of professional services, the Addressees must seek to obtain the maximum competitive advantage for the Group, selecting the supplier or

consultant that is in a position to supply goods and services of the quality required on the most economic terms and conditions.

The drawing up of a contract with a supplier must always be based on relations of the utmost clarity, avoiding where possible the adoption of contractual commitments that entail forms of dependence for the contracting supplier or for the company of the Group involved.

Fees and sums paid to the suppliers and external consultants, under whatsoever entitlement, for supplies and professional assignments must be consistent with market conditions and adequately documented.

3.3 Relations with the public sector

Relations with the Public Sector are restricted to those: (i) instrumental to obtaining any authorisations that may be necessary for the performance of the corporate activity, (ii) aimed at assessing the implications of laws and regulations for the corporate activities, (iii) necessary in response to requests made to PRADA spa and/or the companies of the Group by the Public Sector, in the performance of its institutional activity.

Relations with the Public Sector must always be clear, transparent and correct, and such as not to be susceptible to ambiguous or misleading interpretations.

More specifically, the Addressees must not seek to influence improperly the decisions of the Public Sector by offering money or other utilities, such as work or commercial opportunities which could benefit the public officials or the persons appointed by a public service, or members of their families.

PRADA spa and the companies of the Group are not permitted to make direct or indirect contributions of any kind, nor allocate funds for the support of public entities that are part of the Public Sector, excepting what is allowed and provided for by the legislation and regulations in force, and on condition that: (i) they are regularly approved by the competent corporate functions, (ii) they are regularly documented in terms of accounts and management, (iii) they do not place any of the Addressees in a position of conflict of interests.

3.4 Relations with the judiciary and other institutional authorities

Management of relations with the judiciary and the other institutional authorities is restricted exclusively to the corporate functions appointed to the same.

The Addressees are bound to display the utmost helpfulness and collaboration in relation to the judicial authorities and/or the other institutional authorities in the course of any audits or inspections ordered by the same.

Any Addressees who, for matters connected with the working relationship, are subjected, even personally, to investigations or inspections or receive a summons, and/or those who are served notice of other judicial proceedings, must inform the Supervisory Body of PRADA spa or the competent controlling body of the other companies of the Group.

3.5 Relations with political organisations and trade unions

The PRADA Group contributes to the economic wellbeing and growth of the community in which it operates.

To this end, in performing its activities the PRADA Group conforms these to the respect of the local and national specificities, encouraging dialogue with the trade unions and associations of other kinds.

The relations of PRADA spa and the companies of the Group with political parties or their representatives or candidates are marked by the strictest compliance with the legislation in force.

The Addressees are forbidden from promising or offering payments or benefits of any kind, in the name and on the behalf of the PRADA Group, to political or trade union organisations or representatives of the same, excepting what is allowed and provided for by the legislation and regulations in force.

3.6 Relations with other interlocutors

The relations of the PRADA Group with private bodies, such as ONLUS and other non-profit organisations, must be inspired by the strictest compliance with the applicable legal provisions, and must not, in any way, compromise the integrity and the reputation of the PRADA Group.

The undertaking of commitments and the management of relations of any kind with private bodies are restricted exclusively to the corporate functions appointed to the same and to the personnel thus authorised, in line with the system of mandates and corporate procedures.

3.6.1 Sponsorship

PRADA spa and the companies of the Group may accept requests for sponsorship for events that offer guarantees of quality and seriousness.

Such sponsorship may relate to the social or environmental sphere, or to the world of sport, entertainment or art.

3.7 Relations with shareholders and operations with related parties

The PRADA Group exerts itself so that all shareholders are treated equally.

The advantages deriving from belonging to a Group are pursued not only in compliance with the applicable legislation, but in respect of the interests of each company in profitability and the creation of value for the shareholders.

The operations with related parties, including intergroup operations, comply with criteria of substantial and procedural correctness, according to pre-established rules of conduct.

4 External communications

All external communication of documents and information concerning the PRADA Group or other entities with which PRADA spa or the companies of the Group have relations, must be performed in compliance with the legislation, regulations and professional conduct practices in force.

Strictly prohibited, under all circumstances, are:

- the disclosure of any confidential information acquired in the performance of the corporate activities;
- the disclosure of false or misleading information regarding the PRADA Group or other entities with which PRADA Spa and the companies of the Group have relations in the performance of their activities;
- any form of pressure aimed at obtaining preferential attitudes from the organs of public communication/information.

In order to guarantee the completeness and consistency of the information, the relations of PRADA Spa and the companies of the Group with the organs of public information are restricted to the functions appointed to the same.

5 Violations and sanctionary consequences

Should any suspected violation of the present Code of Ethics, or behaviour not compliant with the rules of conduct adopted by PRADA spa and the companies of the Group, come to the knowledge of any Addressee, he or she must inform the Supervisory Body of PRADA spa or the competent controlling body of the other companies of the Group without delay.

The Supervisory Body of PRADA spa or the controlling body of the other companies of the Group shall proceed to verify the grounds of the alleged violations, if necessary arranging for the interview of the person who has made the notification and/or the alleged perpetrator of the violation.

Furthermore, information relating to official actions deriving from infringements of laws and regulations (e.g. measures taken by the organs of the judicial police, requests for legal assistance forwarded by managers and/or employees in the case of initiation of legal proceedings) must mandatorily be transmitted to the Supervisory Body of PRADA spa or to the controlling body of the other companies of the Group.

Measures considered opportune will be adopted in relation to the perpetrators of unlawful conduct, independently of eventual criminal proceedings taken up by the judiciary, and shall proceed to communicate to the competent corporate functions the sanctionary measures imposed.

Compliance with the provisions of the present Code of Ethics is to be considered an essential part of the contractual obligations assumed by employees. Any infringement of the provisions of the Code of Ethics constitutes breach of the obligations of the work contract and/or a disciplinary offence, in compliance with applicable local laws and, in particular for Italian companies,

in accordance with the procedures laid down by art. 7 of the Workers' Statute and the applicable collective bargaining, with all the legal consequences, also in relation to the maintenance of the working relationship, and may entail the compensation for damages deriving from the same.

Compliance with the provisions of the present Code of Ethics constitutes part of the contractual obligations undertaken by collaborators, by consultants and by other entities in business relations with the companies of the Group. The eventual infringement of the provisions contained in the same can constitute breach of the contractual obligations undertaken, with all the legal consequences as regards the termination of the contract or appointment assigned and the compensation of the deriving damages.

PRADA spa and the companies of the Group undertake to insert in the contracts with suppliers, collaborators and external consultants, express termination clauses related to eventual infringements of the Code of Ethics.

6 Approval of the Code of Ethics and related amendments

The present Code of Ethics was adopted by resolution of the Board of Directors of PRADA spa on 18.12.2007, with immediate effect.

The other companies of the Group also receive and adopt the present Code of Ethics through resolution of the competent management body. Any additional specific conduct rules deriving from local practices or laws may be included in specific conduct codes to be adopted in addition to the present Code of Ethics.

The Code of Ethics does not replace current and future corporate procedures which continue to have effect to the extent that the same are not in conflict with the Code of Ethics.