
Torino Fashion Village S.r.l.

**Compliance
Programme
General Section**

CONTENTS

BACKGROUND	2
1. LEGISLATIVE DECREE NO. 231/01 AND THE RELEVANT LEGISLATION	3
1.1 CONDITIONS FOR EXEMPTING THE ENTITY FROM LIABILITY	4
2. CORPORATE STRUCTURE AND GUIDING PRINCIPLES	5
2.1 CORPORATE STRUCTURE OVERVIEW	5
2.2 THE GOVERNANCE INSTRUMENTS OF THE COMPANY	7
2.3 PREPARATION OF THE PROGRAMME AND ITS STRUCTURE	7
2.4 PROGRAMME ADOPTION PROCEDURE	9
3. THE SUPERVISORY BOARD	9
3.1 GENERAL FRAMEWORK AND REQUIREMENTS	9
3.2 GENERAL PRINCIPLES ON THE ESTABLISHMENT, APPOINTMENT AND REPLACEMENT OF THE SUPERVISORY BOARD	10
3.3 FUNCTION AND POWERS OF THE SUPERVISORY BOARD	12
3.4 THE SUPERVISORY BOARD’S REPORTING OBLIGATIONS TOWARDS OTHER CORPORATE BODIES	14
3.5 REPORTING OBLIGATIONS TOWARDS THE SUPERVISORY BOARD. REPORTING METHODS	15
3.6 INFORMATION COLLECTION AND STORAGE	17
4. TRAINING AND INFORMATION FOR EMPLOYEES AND CONTRACTORS.....	17
5. THE DISCIPLINARY SYSTEM	18

BACKGROUND

By drawing on international legislation governing the fight against corruption, Legislative Decree No. 231 dated 8 June 2001 — setting forth the “*Regulations governing administrative liability of legal entities, companies and associations, including unincorporated bodies of people*” (hereinafter referred to as “*Decree 231*”) — introduced and regulated for the first time the administrative liability arising from crimes committed by collective entities. Following the entry into force of Decree 231, companies may also be held independently accountable for crimes committed by their legal representatives, directors or employees, resulting in the entity’s administrative liability being separate from and independent of that applicable to the natural person who committed the offence.

Such a circumstance has, therefore, required adjustments to be made to the control system, whereby this variable is taken into account when defining risk profiles.

Against an increasingly complex and fast-changing backdrop, where the number of development opportunities and risks increase alike, the ability to govern one’s own operations plays a key role, adopting organisational safeguards that can help keep track of, prevent and constantly monitor the various types of risk.

Therefore, the adoption of a Compliance Programme (i) specifically designed for “crime risks” to which the Company is actually exposed and (ii) aimed at preventing certain crimes from being committed by establishing rules of conduct, fulfils a preventive function and provides the primary basis for the risk control system.

The following pages set out the guiding principles of the Compliance Programme of **Torino Fashion Village S.r.l.** (hereinafter also referred to as “**TFV**” or the “**Company**”) to which the conduct of the Corporate Bodies, all Staff, Contractors and anyone who, in their various capacities, contribute to the achievement of the Company’s objectives shall be required to conform. The instruments used to ensure its effectiveness and efficiency are also outlined.

This document also sets out to promote a corporate culture that strengthens the control function and makes, at all levels, the Staff aware of and fully involved in the role assigned to each of them within the control system.

1. LEGISLATIVE DECREE NO. 231/01 AND THE RELEVANT LEGISLATION

On 4 July 2001, in accordance with the delegated power as referred to in Article 11 of Law No. 300 dated 29 September 2000, Legislative Decree No. 231 dated 8 June 2001 entered into force, such Decree setting forth the regulatory provisions concerning the “Regulations governing administrative liability of legal entities, companies and associations, including unincorporated bodies of people”.

In particular, Article 5(1) establishes that the Company is to be held liable if certain crimes were committed in its own interest or to its own advantage:

- By persons who hold positions of representation, governance or management of the Company or one of its organisational units having financial and functional independence, as well as by persons who — de facto or otherwise — manage and control the Company (e.g. Directors);
- By persons who are subject to the management or supervision of one of the individuals stated in the previous paragraph (e.g. Employees).

Therefore, in the event that one of the crimes specified thereunder is committed, the criminal liability of the natural person who actually committed the crime will add to the “administrative” liability of the Company, unless the (i) individual acted in his/her own interest or in the interest of third parties, or (ii) Company proves that it has adopted and effectively implemented a Compliance Programme consistent with the provisions of Article 6.

With regard to sanctions (Article 9), a financial penalty will be inflicted on the Entity (Article 10). With regard to more serious crimes, disqualification sanctions will also apply (Article 13)¹, such as being banned from conducting business; suspension or revocation of authorisations, licences or concessions; being banned from dealing with Public Administration agencies; debarment from and revocation of previously granted loans, contributions or aids; prohibition against advertising goods and

¹ “[...] Having said this, the wording of Article 13 is clear insofar as it establishes that for the purposes of applicability of disqualification sanctions it is sufficient that either of the conditions required under the provision are met: repetition of crimes (Article 13(1)(b) or the fact that the Entity gained significant profit from the crime if it was committed by individuals holding an executive position within the Entity itself or by individuals acting under the supervision of others in the event that — in the latter case — the crime was committed because of, or was facilitated by, serious organisational shortcomings on the part of the Entity (Article 13(1)(a)” (Lower court of Milan “Order for the infliction of disqualification measures” dated 27 April 2004 entered under No. 2460/03 of the Register of Acknowledged Crimes and No. 950/03 of the General Register of the Preliminary Investigation Magistrate).

services.

1.1 CONDITIONS FOR EXEMPTING THE ENTITY FROM LIABILITY

According to Articles 6 and 7 of Legislative Decree 231/01, the Entity will not be subject to any sanction whenever it has adopted organisational measures aimed at preventing crimes from being committed, provided that such measures are:

- Appropriate, i.e. they can ensure that activities are carried out in compliance with the law, while identifying and promptly removing risk situations;
- Efficient, i.e. they are commensurate with the need to ensure compliance with the law;
- Effective, i.e. they allow each operation or circumstance to be verified and documented, while ensuring compliance with the powers of authorisation and the principle of segregation of duties.

In fact, the Entity will not be held liable if it proves that it has adopted and effectively implemented a “Compliance Programme” that can prevent the perpetration of the specified crimes, meets the need to identify the activities in respect of which such crimes may be committed; the protocols (procedures) for planning the decision-making process and the actual implementation of the Entity’s decisions in relation to the crimes to be prevented; the obligations to inform the body responsible for overseeing the operation and observance of the Programme; the disciplinary system whereby any failure to comply with the measures stated in the Programme will be sanctioned, and the dissemination and delivery of adequate and differentiated information and training.

As a result, the following activities play a key role: (i) checking the Programme operation, with consequent periodic updating (*ex post* control); (ii) raising awareness and disclosing both the rules of conduct and the established procedures company-wide; and (iii) delivering adequate training and retraining, to be differentiated in terms of contents and method of delivery depending on the position held by the recipients and the level of risk of the area in which they operate, illustrating the reasons of expediency — as well as legal reasons — underlying the rules and their actual scope.

With a view to ensuring that the Programme is appropriate as well as effective, a Supervisory Board will be assigned the task of effectively and properly implementing the Programme by monitoring corporate conduct, in respect of which any useful information regarding activities deemed as significant for the purposes of Legislative Decree 231/01 must be provided.

2. CORPORATE STRUCTURE AND GUIDING PRINCIPLES

2.1 CORPORATE STRUCTURE OVERVIEW

Torino Fashion Village S.r.l. promotes local development by assessing, incentivising, enhancing, coordinating, building, managing and selling shopping centres, including integrated shopping centres, outlets, shopping parks, other large sales structures, as well as executive centres, freight villages and trade fairs. To this end, it is responsible for the construction, purchase, sale, rental and management of real estate, as well as for the transformation and use in any form of the acquired real estate. To promote and boost commercial endeavours, the Company provides technical, administrative and coordination services and engages in marketing activities with the support of other services companies.

The Company is managed by a Board of Directors, with the Articles of Association containing express provisions for granting powers to other corporate bodies.

Board members shall remain in office until resignation or removal from office or for the period established at the time of their appointment and may be re-elected. Termination of the directors due to expiry of the term shall become effective upon the new governing body being re-established.

The Board of Directors shall be vested with all the broadest powers of ordinary and extraordinary administration, with the express power to carry out all commercial, industrial, real estate and financial transactions deemed as useful and appropriate to achieve the Company's objectives and promote the development and expansion of the Company, excepting only those deeds strictly reserved for the Shareholders' Meeting pursuant to the law and the Articles of Association.

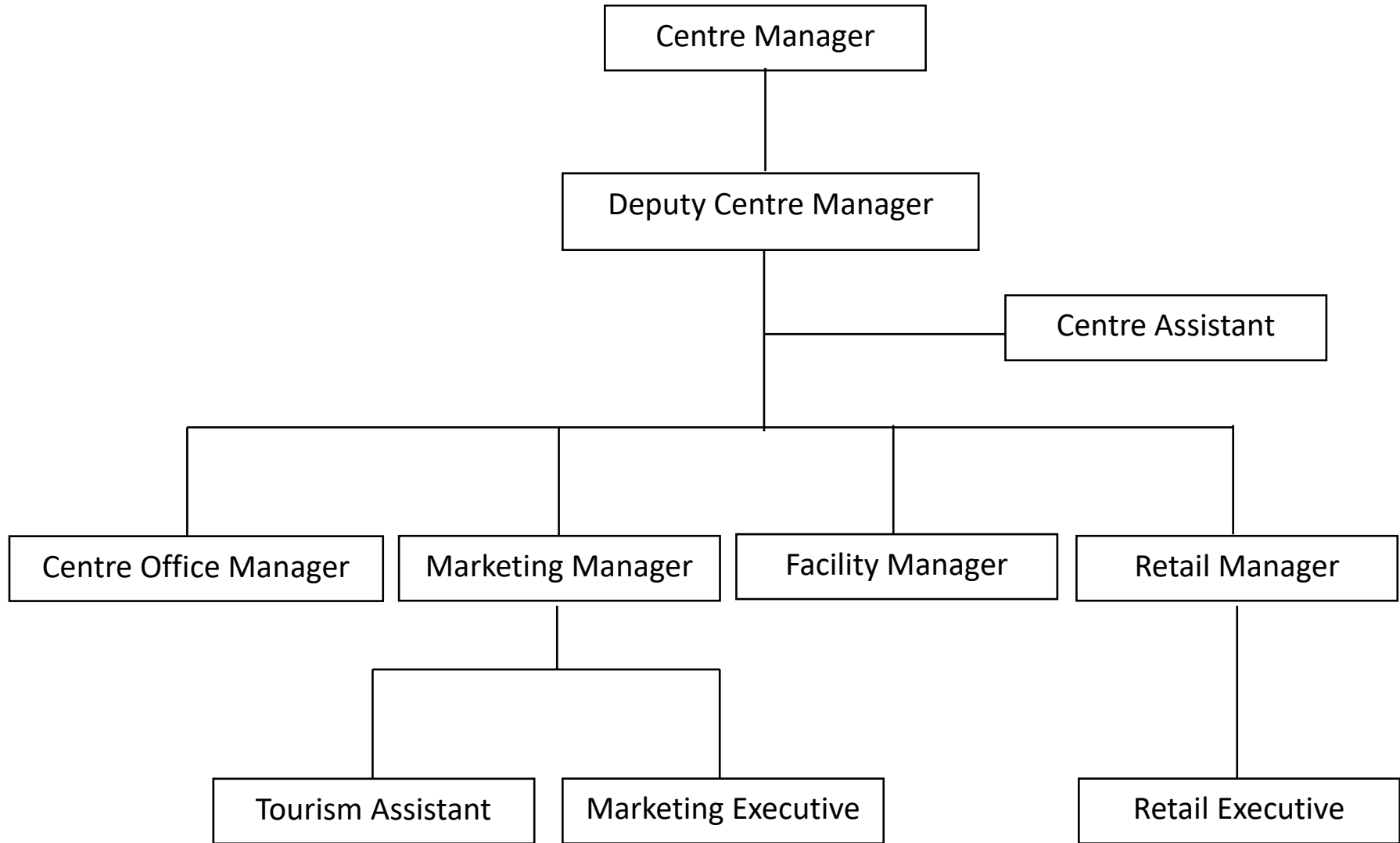
The Board of Directors may delegate part of its powers to one or more of its members, including the Managing Director. The powers under Section 2475(5) of the [Italian] Civil Code may not be delegated. Managers, managing agents or attorneys may also be appointed for the execution of certain deeds or types of deeds, establishing their powers.

The Company shall be represented by the Chairman of the Board of Directors and the Managing Director.

The Managing Director shall be vested with legal representation in the areas lying within his/her province.

TFV has drawn up a Company Organisation Chart, which is updated on a regular basis. It allows (i) a view of the corporate structure to be gained and (ii) the persons to whom such responsibilities are allocated to be identified at any time.

The Company's organisational chart is shown below:



Staff Responsibilities:

- Center Management;
- Facility Management;
- Village Marketing and Tourism activities;
- Retail activities;

Full Staff 2021: 10 employees

2.2 THE GOVERNANCE INSTRUMENTS OF THE COMPANY

This Compliance Programme is part of the broader control system consisting mainly of the rules of Corporate Governance (and the Internal Control System).

In this connection, the general instruments already adopted in order to plan the decision-making process and the actual implementation of the decisions of Torino Fashion Village (including in respect of the crimes to be prevented) as referred earlier, include:

- The Articles of Association of Torino Fashion Village S.r.l. — in accordance with applicable law provisions — contemplate a number of provisions relating to corporate governance aimed at ensuring the proper performance of management activities;
- The ethical principles adopted by the Company and its Group;
- Delegation of powers;
- Documentation and provisions relating to the corporate hierarchical/operational and organisational structure;
- Notices and company circular letters intended for the Staff and Contractors;
- Statutory, adequate and differentiated training to be delivered to all Staff and Contractors;
- Penalty system under the collective labour agreements;
- The body of national and foreign laws and regulations, where applicable.

The rules, procedures and principles outlined in the instruments listed above are not shown in detail in this Programme, but are part of the broader organisation and control system that it sets out to supplement.

2.3 PREPARATION OF THE PROGRAMME AND ITS STRUCTURE

In drafting the Programme as pursuant to Article 6 of the aforesaid Decree, the Company carried out a number of activities divided into different phases, a brief description of which is provided below. The Programme was then prepared based on the outcome of such phases:

- Identification of “sensitive activities” (as-is analysis) – This task was carried out by reviewing the corporate records transmitted by company representatives. This analysis made it possible to identify, within the corporate structure, “sensitive activities” where it could be assumed that crimes might be committed during the performance of such activities. Then, audits were performed regarding the processes adopted to manage such “sensitive activities”, the related control system (procedures, segregation of duties, availability of documentary evidence in respect of controls, etc.) and its compliance with generally accepted internal control standards (e.g. traceability, availability of documentary evidence, etc.).

The objective of this phase was to analyse the company context in order to identify in which area/industry and according to what methods crimes might be committed;

- Completion of gap analysis – Based on the established situation, with due account being taken of the provisions and purposes of Legislative Decree 231/01, actions were identified to improve the current Internal Control System and the organisational requirements deemed as essential for the definition of a Compliance Programme meeting the norms set forth in the Decree;

The objective of the evaluations carried out was not to remove risk, but to reduce it to an acceptable level with adequate costs, in relation to the degree of risk.

- Drafting a Programme consisting of:
 - “Code of Conduct” – It contains the core values on which the Company's business is based;
 - “General Section” – It contains the rules and general principles of the Programme;
 - “Special Section” – It analyses the individual types of crime;
 - “Disciplinary System” – It governs the infliction of sanctions;
 - Mapping of Risk Areas – It identifies the areas that are likely to be affected by the types of crimes stated in Legislative Decree 231/01, checks how financial resources are managed and analyses possible ways of committing crimes within the various company areas considered to be at risk;
 - Procedural protocols – They regulate, in detail, the processes and their control systems, taking into account the outcome of the analysis in relation to the possible implementation methods.
- Updating of the Model made necessary as a result of the introduction, in the catalogue of predicate offences n. 231, of Article 25-quinquiesdecies co.1 and co.1-bis (Law Decree no. 124/2019, converted into Law no. 157/2019, and

Legislative Decree no. 75/2020), in relation to the commission of certain tax offences provided for by Legislative Decree 74/2000, specifically described in the Special Part of the Model.

The updating activity was carried out through: identification of the "sensitive activities" connected to the new types of offence introduced in Legislative Decree 321/2001, risk assessment, drafting of specific Protocols in relation to the new "sensitive activities" identified and updating of the Protocols already in place with reference to the "sensitive activities" connected to the offences already mapped, which may affect the prevention of tax offences, as a result of the new provisions contained in Article 25-quinquiesdecies of Legislative Decree 231.

The update implemented is part of the "substantial" amendments and additions described in the following paragraph, the assessment and approval of which is the responsibility of the Company's Board of Directors.

The process of updating the Model was subject to verification by the Supervisory Board, in accordance with the provisions of paragraph 3.3 of this document.

2.4 PROGRAMME ADOPTION PROCEDURE

Although adopting the Programme is optional and not mandatory under the aforesaid Decree, the Company, consistent with its own corporate policies, deemed it necessary to proceed with its adoption and the establishment of the Supervisory Board, together with its powers.

Since the Programme is a "deed issued by the Board of Directors" as pursuant to the provisions of Article 6(1)(a) of Legislative Decree 231/01, the evaluation and approval of material amendments are the responsibility of the Board of Directors of the Company.

"Material" amendments include amendments that are necessary as a result of the evolution of the reference legislation or that imply a change in the rules and behavioural principles reflected in the Programme, in the powers and duties of the Supervisory Board and in the disciplinary system.

With regard to amendments other than material amendments, the Board of Directors may jointly empower the Chairman and the Managing Director. Such (non-material) changes will be notified to the Board of Directors on a half-yearly basis and ratified by it or, if necessary, supplemented or amended by specific resolution. While ratification is pending, any amendments adopted in the meantime shall not be deemed as ineffective.

3. THE SUPERVISORY BOARD

3.1 GENERAL FRAMEWORK AND REQUIREMENTS

Pursuant to the provisions of Legislative Decree 231/2001 — Article 6(1)(a) and (b) — the entity may be exempted from liability resulting from the commission of crimes by persons qualified under Article 5 of Legislative Decree 231/2001 if the Board of Directors has, among other things:

- Adopted and effectively implemented a compliance programme that can help prevent the crimes considered;
- Entrusted a body of the entity with the task of (i) overseeing the operation of and compliance with the programme and (ii) ensuring that it is updated, such body being vested with independent powers of action and control.

The main requirements of the Supervisory Board as recommended by the Guidelines for the preparation of Compliance Programmes issued by Confindustria [Association of Italian Industries] and further adopted by the judicial bodies in various published jurisprudential rulings, include “autonomy and independence”, “professional expertise” and “action continuity”.

In particular, according to Confindustria, the requirements of autonomy and independence provide for (i) the Supervisory Board to report to the highest operational top management, (ii) the Supervisory Board to refrain from performing any operational task that would jeopardise its impartiality and, where employees are involved, (iii) the inclusion of the Supervisory Board “as a staff unit in a hierarchical position as high as possible”.

The characteristic of professional expertise must refer to the “background of knowledge and techniques” necessary to perform effectively as a Supervisory Board. Professional expertise is ensured on all issues that need to be dealt with for the proper application of the Programme.

Action continuity, which ensures the effective and consistent implementation of the Compliance Programme, is supported by the presence of a structure dedicated to supervisory tasks on an exclusive and full-time basis.

Legislative Decree 231/2001 does not provide specific information concerning the composition of the Supervisory Board. In the absence of such information, the Company has opted for a solution that — in relation to its size and organisational complexity — can ensure the effectiveness of the controls lying with the Supervisory Board, such a solution taking into account the aims pursued by the law and by the guidelines available from published case law.

3.2 GENERAL PRINCIPLES ON THE ESTABLISHMENT, APPOINTMENT AND REPLACEMENT OF THE SUPERVISORY BOARD

The Company's Supervisory Board was established by resolution of the Board of Directors on January 22, 2019. The members of the Supervisory Board shall remain in office for the period established at the time of their appointment and may be re-elected. The Supervisory Board shall stop being in office upon expiry of the period set at the time of its appointment, although it shall continue to carry out its duties on an *interim* basis until the new members of the Board are appointed on the occasion of the first Board meeting.

If, during their term of office, one or more members of the Supervisory Board cease to hold office, the Board of Directors shall replace them by its own resolution. Until a new member is appointed, the Supervisory Board shall function only with the remaining members in office.

In order to be appointed as a member of the Supervisory Board, individual eligibility requirements must be met.

In particular, at the time of appointment the person designated to hold the office of member of the Supervisory Board must

provide a statement certifying the absence of reasons for ineligibility such as:

- Conflicts of interest, including potential conflicts of interest, with the Company which may affect the independence required of the role and duties of the Supervisory Board;
- Holding direct or indirect equity in the share capital of the Company to such an extent as to enable him/her to exercise significant influence over the Company;
- Discharging — during the three financial years prior to the appointment as a member of the Supervisory Board or prior to the establishment of the consultancy/collaboration relationship with the Board — administrative duties for companies that were being subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings;
- Having been inflicted a sentence, whether final or otherwise — including as pursuant to Article 444 of the [Italian] Criminal Procedure Code — in Italy or abroad related to the crimes referred to in Legislative Decree 231/2001 or crimes affecting professional conduct;
- Having been convicted — including by a sentence that has not become final or by a measure that in any case established his/her responsibility — to a punishment that involves debarment from public office, including temporary debarment, or temporary debarment from executive offices of corporate bodies and enterprises.

If any of the above reasons for ineligibility should be found to apply to an appointed individual, he/she shall automatically fall from office.

In order to guarantee the necessary stability to the members of the Supervisory Board, the powers of the Supervisory Board may be revoked and attributed to another individual only for just cause, including as a result of corporate restructuring. To this end, a specific resolution of the Board of Directors shall be required to be issued after consulting the Board of Statutory Auditors.

In this regard, “just cause” of revocation of the powers connected with the office of member of the Supervisory Board may include, by way of illustration and not limitation:

- Gross negligence in the performance of the tasks connected with the office, including but not limited to: failure to prepare the half-yearly report on operations to be submitted to the Board of Directors, as under 4.3.2 herebelow; failure to prepare the supervisory programme;
 - The Supervisory Board’s “failure to discharge supervisory duties or provide adequate supervision” — as required under Article 6(1)(d) of Legislative Decree 231/2001 — resulting from a (i) conviction, whether final or otherwise, issued against the Company pursuant to Legislative Decree 231/2001 or (ii) measure that in any case established its liability;
 - Attribution of operational duties and responsibilities within the company organisation that are incompatible with the “autonomy and independence” and “action continuity” requirements to be met by the Supervisory Board.
-

In particularly serious cases, the Board of Directors may in any case — after hearing the opinion of the Board of Statutory Auditors — order the suspension of the powers of the Supervisory Board and the appointment of an interim Board.

In the discharge of its duties, the Supervisory Board may — under its direct supervision and on its own responsibility — benefit from the support of all the functions and units of the Company or external consultants, relying on their respective skills and expertise. This power allows the Supervisory Board to ensure a high level of expertise and the necessary action continuity.

To this end, each year the Board of Directors shall allocate a budget to the Supervisory Board taking into account the latter's requests, which must be formally submitted to the Board of Directors.

The allocation of the budget allows the Supervisory Board to operate independently and with the appropriate tools for the effective performance of the task assigned to it under this Programme, as pursuant to Legislative Decree 231/2001.

When appointing the Supervisory Board, the Board of Directors must set (i) its term of office, which should not exceed three years, (ii) its emoluments (amount and conditions), (iii) re-eligibility rules, if applicable, (iv) the criteria based on which the Board was selected and (v) the strict conditions of revocation.

The Supervisory Board shall self-regulate its activities. Consequently, it is deemed appropriate that the “operating” rules be laid down by the Board itself, the underlying purpose being to ensure the fullest organisational independence also in this respect.

Such rules must at any rate be made known to the Board of Directors.

3.3 FUNCTION AND POWERS OF THE SUPERVISORY BOARD

In principle, the Supervisory Board shall be entrusted with the task of monitoring:

- The effectiveness of the Programme;
- The adequacy of the Programme with respect to the need to prevent the commission of crimes under Legislative Decree 231/01;
- Compliance with the provisions of the Programme by its recipients;
- The updating process of the Programme in the event that adjustments are needed as a result of changed conditions in the corporate or regulatory environment. In this regard, it should be noted that the Supervisory Board shall be responsible for submitting proposals for adjustments to the relevant corporate bodies that can implement them and follow them up, the purpose being to follow through the implementation and effective functionality of the proposed solutions.

In particular, the Supervisory Board shall be entrusted with the following tasks and powers for the discharge of its duties:

- Regulating its own operation, including by introducing a regulation governing its own activities;

-
- Performing target-oriented audits on specific activities at risk, having free access to the related data, and processing the results of the above activities and the relevant reports;
 - Encouraging the updating of the risk mapping in case of significant organisational changes to or extension of the type of crimes referred to under Legislative Decree 231/2001, and submitting to the Board of Directors any proposals for updating or adjusting the Programme accordingly;
 - Coordinating with the relevant corporate functions in order to assess the adequacy of the Programme and the related procedures and define any proposals for adjustment and improvement (internal rules, procedures, operating and control methods), subsequently verifying their implementation;
 - Monitoring initiatives aimed at disseminating company-wide knowledge and understanding of the Programme, as well as staff training and awareness-raising activities to ensure compliance with the principles set out in the Programme;
 - Receiving and evaluating any information deemed as significant for the purposes of Legislative Decree 231/2001, ensuring that the details of the person reporting the event are kept confidential;
 - Providing — based on the outcome of the audit and control tasks performed — a periodic assessment of the adequacy of the Programme with respect to (i) the provisions of Legislative Decree 231/2001, the underlying principles, new regulations and significant court decisions, and (ii) the operation of the Programme itself;
 - Notifying, on a regular basis, the managers of the functions concerned and/or the Chairman and/or Managing Director of the Company, based on their respective responsibilities, of any breach of protocols and/or procedures or any shortcomings detected during the audits performed, so that they may adopt the necessary remedies involving, where necessary, the Board of Directors;
 - Ensuring that the sanctions laid down by the internal regulations for failure to comply with the Programme are applied consistently, without prejudice to the jurisdiction of the body responsible for the application of sanctions;
 - Providing clarifications regarding the meaning and application of the provisions contained in the Programme.

In order that it may perform the above tasks exhaustively, the Supervisory Board:

- Shall have free access to all the functions of the Company, without the need for prior information and prior consent, for the purpose of retrieving any information or data deemed as necessary for the performance of the tasks set forth in the Decree;
 - May, under its direct supervision and on its own responsibility, rely on the support of all the Company units or external consultants (in this case, subject to prior notification to the Board of Directors);
 - Have its own budget — allocated by the Board of Directors as part of the annual budgeting process — to support the expenditure decisions necessary to discharge its duties (e.g. expert advice, missions and business trips, training, etc.);
-

- Carry out its activities without the supervision of any other corporate body or unit.

The Supervisory Board shall meet on a regular basis, at least every three months. Its meetings must be appropriately and formally documented.

All the members of the Supervisory Board shall be required to ensure confidentiality with respect to all the information of which they become aware during the discharge of their duties. Any such information may only be disclosed to the individuals and in the manner as set forth in this Programme.

3.4 THE SUPERVISORY BOARD'S REPORTING OBLIGATIONS TOWARDS OTHER CORPORATE BODIES

The Supervisory Board shall report on the implementation of the Programme, the changes to be made and the occurrence of any critical issues. To this end, three reporting lines are envisaged:

- The first, on an ongoing basis, directly to the Chairman and the Managing Director;
- The second, on a six-monthly basis, to the Board of Directors, the Board of Statutory Auditors, the Chairman and the Managing Director;
- The third, on a yearly basis, to the Board of Directors, the Board of Statutory Auditors, the Chairman and the Managing Director.

The Supervisory Board shall prepare:

- Every six months, a document intended for the Board of Directors, the Board of Statutory Auditors, the Chairman and the Managing Director on the activities carried out during the reporting period, the specific audits and checks performed and the outcome thereof;
- Annually, a descriptive report intended for the Board of Directors, the Board of Statutory Auditors, the Chairman and the Managing Director containing a summary of all the activities carried out during the year; a summary of the audits and checks performed; any update of the Mapping of "sensitive activities"; an assessment of the situation regarding other major issues; the annual plan of activities scheduled for the following year, and proposals for improvement of the Programme.

If the Supervisory Board detects critical issues relating to any of the individuals in respect of whom a reporting obligation exists, then the corresponding report shall be promptly addressed to one of the other higher rank individuals.

All the activities carried out by the Supervisory Board shall be adequately documented, including meetings with other individuals or bodies that are considered as significant by the Board itself.

The Board of Directors and the Board of Statutory Auditors may call a meeting of the Supervisory Board at any time. In turn, the latter may request, through the relevant functions or individuals, that a meeting of the aforesaid Boards be convened to

deal with urgent matters.

The Supervisory Board must also coordinate with the relevant functions within the Company for the different specific profiles.

3.5 REPORTING OBLIGATIONS TOWARDS THE SUPERVISORY BOARD. REPORTING METHODS **Article 6(2)(d) of Legislative Decree 231/01 identifies specific reporting obligations towards the Supervisory Board.** **Whistleblowing (pursuant to Article 6, paragraph 2 bis, 2 ter, 2 quater of Legislative Decree 231/01)**

By using *ad hoc* reports, the Corporate Bodies, Staff, Contractors, Consultants and Partners are required to inform the Supervisory Board of any events that might cause the Company to be held liable pursuant to Legislative Decree 231/01.

To this end, establishing a systematic and structured reporting system on the facts at risk is deemed to be appropriate with regard to operational and instrumental processes. Following the detection and analysis of such facts, red flags will be generated, based on which the appropriate actions to counter-check and investigate any irregularities and/or criminal situations shall be taken.

The Function Heads must always inform the Supervisory Board of any conduct related to the operational processes lying within their province and potentially involving “crime risks” under Legislative Decree 231/01, of which they became aware either directly or through information received from their Employees and Contractors. The following general provisions shall apply in this regard:

- Reports relating to failure to comply with the Programme or in any case resulting from conduct that is not in line with the rules of conduct adopted by the Company must be collected;
- The members of the Corporate Bodies, all Staff and Contractors shall have the duty to submit to the Supervisory Board any reports relating to the commission of crimes or to the reasonable belief that crimes have been committed;
- Consistent with the obligation to supervise compliance with the Programme, the Managers shall be required to report to the Supervisory Board any material breaches thereof pursuant to Legislative Decree 231/01 committed by Employees, Contractors, Consultants and Partners of which they have become aware.

With regard to reporting obligations, given that:

- The Manager can liaise directly with the Supervisory Board;
- Employees and Contractors can liaise with the Supervisory Board through their own Function Head.

However, if the report remains unanswered or the Employee or the Contractor feels uncomfortable about reaching out to their direct manager to report their concerns, then they may report directly to the Supervisory Board.

Consultants and Partners shall, with regard to the activity they carry out for or on behalf of the Company, report to the Manager with whom they maintain contacts and to the Head of the Legal Department who, in turn, shall inform the Supervisory Board;

All reports must be submitted in a formal way (on paper or electronically), by providing for:

- one or more channels enabling the persons referred to in Article 5(1)(a) and (b) of Legislative Decree no. 231/2001 to submit, in order to protect the integrity of the entity, detailed reports of unlawful conduct, relevant under Legislative Decree no. 231/2001 and based on precise and consistent facts, or of violations of the Model of which they have become aware by virtue of their functions. These channels must guarantee the confidentiality of the identity of the reporter during the management of the report;
- at least one alternative reporting channel capable of guaranteeing, by computerised means, the confidentiality of the identity of the reporter.

The Company and the Supervisory Board shall protect the person filing the report from any harmful effect (acts of retaliation or discrimination, direct or indirect) that may directly or indirectly result from his/her reporting.

With regard to the reporting obligations of Consultants and Partners, the submission methods shall be specified in special clauses included in the agreements entered into by and between such parties and the Company.

The Supervisory Board shall, at its reasonable discretion and on its own responsibility, evaluate the reports received and any subsequent measures and/or initiatives to be taken, possibly hearing the person who filed the report and/or the person responsible for the alleged violation and providing written grounds for any decision not to proceed with an internal investigation.

With a view to allowing all the Recipients of the Compliance Programme to liaise with the Supervisory Board, the following tools and means of internal and external confidential mail and a dedicated email address are available.

Internal mail – To ensure the utmost confidentiality, the report must be sent to the Company's registered office address in Milan, Corso Matteotti n. 10, reserved for the Supervisory Board, bearing the following wording on the outside of the sealed envelope: "Communication for the Supervisory Board. Strictly confidential information".

Ordinary external mail – To ensure the utmost confidentiality, the report must be addressed to the Supervisory Board of Torino Fashion Village s.r.l. with registered office in Milan, Corso Matteotti n. 10, bearing the following wording on the outside of the envelope: "Communication for the Supervisory Board. Strictly confidential information".

Email address: odv@torinooutletvillage.com

In all of the above cases, correspondence must not be opened but delivered to the external member of the Supervisory Board. With regard to these reports, a special form is attached.

It should be noted that the reports that will be received through these channels must not pursue a merely accusatory purpose (i.e., anonymous reporting made primarily to protect one's own interests or for a number of slanderous reasons, out of spite, to seek revenge, etc.) but must be circumstantiated reports of unlawful conduct or violations of the Programme, based on precise and concordant factual elements, having the following characteristics:

- Indication (optional) of the reporter and his or her contact details and, if an employee, the department to which he or she belongs;
- Description of:
 - events and/or facts occurred;
 - any other persons involved;
 - time and manner of execution of the reported event;
 - anything else that may be useful to describe the event and the people involved.

The Company and the Supervisory Board shall endeavour to take all the appropriate steps to ensure that the reports filed with the Supervisory Board are kept confidential (with the aforementioned preferential channel of communication / reporting being a first and essential element to ensure such confidentiality). They further undertake to process the common and sensitive data contained in the aforementioned reports in pursuance of Regulation EU 679/2016 (“*General Data Protection Regulation*”) and Legislative Decree No. 196/2003 (“*Personal Data Protection Code*”), as amended from time to time.

Bona fide whistleblowers shall be protected from any form of retaliation, discrimination or penalisation and the confidentiality of their identity shall be guaranteed, without prejudice to legal obligations and the protection of the rights of persons accused wrongly or maliciously. Any accusatory conduct as aforesaid or any conduct aimed at slowing down the Supervisory Board’s activity shall be reported to the person in charge of disciplinary proceedings for appropriate evaluation.

The reports stated above shall be made available to the Supervisory Board, which shall start a process aimed at ensuring that the reports received are true and well-founded.

3.6 INFORMATION COLLECTION AND STORAGE

All information, concerns and reports under the Programme shall be stored by the Supervisory Board in a special confidential (electronic or paper-based) repository.

Without prejudice to legitimate orders issued by the Authorities, the data and information stored in the repository shall be made available to individuals outside the Supervisory Board only with the prior authorisation of the Supervisory Board itself.

4. TRAINING AND INFORMATION FOR EMPLOYEES AND CONTRACTORS

For the purposes of the effectiveness of this Programme, TFV will endeavour to ensure that the Corporate Bodies, Staff and Contractors are appropriately acquainted with the rules of conduct contained herein and that such rules are properly disclosed to them.

Training and information shall be provided with a different degree of detail depending on the different level of involvement of the resources in “sensitive activities”.

The information and training system shall be monitored and supplemented by the Supervisory Board in conjunction with the Function Heads from time to time involved in the application of the Programme:

- Initial notice – The adoption of this Programme shall be notified to the members of the Corporate Bodies, the Staff and

the Contractors at the time of its adoption.

- Training – Training activities are compulsory and are differentiated in terms of contents and delivery methods, according to the position held by the recipients, the level of risk in the area in which they operate and whether or not they represent the Company. In particular, TFV will set up different levels of information and training — by using appropriate dissemination tools — intended for both members of the Corporate Bodies and Executives (initial seminar extended to all new hires, annual refresher seminar, refresher email, information provided in the employment letter for new hires), as well as Employees and Contractors (internal information, information provided in the employment letter for new hires, refresher email);

New hires and individuals entering into an agreement with the Company for the first time shall be given an information set (on paper or in electronic form) to ensure that they have the knowledge considered to be of primary importance. The information set must contain the Code of Conduct and the text of Legislative Decree 231/01.

These individuals shall be required to provide TFV with a signed statement certifying receipt of the information set and their commitment to comply with the provisions therein.

5. THE DISCIPLINARY SYSTEM

Breaches of the Programme and of the Code of Conduct, committed by anyone whatsoever, must be reported to the Supervisory Board, without prejudice to all the prerogatives and measures falling within the competence of the entity having disciplinary authority. The duty to report breaches of the Programme shall be incumbent on all Recipients thereof.

Having received a report, the Supervisory Board shall, in accordance with confidentiality requirements, notify the Board of Directors of the investigation findings. Any penalties shall be inflicted by the competent bodies of the Company pursuant to the powers they are vested with by law.

Acts that may constitute a disciplinary offence shall include, but not be limited to:

- Failure to comply with the Code of Conduct, protocols, procedures and the Programme whether through omissions or in conjunction with others;
- Destroying, changing, concealing and removing records required for internal control purposes under the Programme;
- Preparing untruthful records, including with the help of third parties;
- Acting with a view to preventing the corporate bodies and the Supervisory Board from carrying out supervisory activity;
- Refusing to provide access to records and information necessary for control purposes;
- Engaging in any other conduct that may constitute a breach of the Programme, Code of Conduct, protocols and procedures envisaged by the control system, etc.
- Avoiding training without a valid reason;
- Failing to take action to disseminate the preventive control system.

Sanctions and disciplinary measures

Consistent with the provisions of the statute of labourers and the applicable national collective labour agreement, the Programme constitutes a set of behavioural rules with which the Staff must comply; any breach of the Programme shall result in the ensuing application of disciplinary procedures and related sanctions.

All Recipients are required to comply with the provisions contained in the Programme.

Measures against employees

In the event that employees fail to comply with the Programme, the provisions of Article 7 of Law No. 300 dated 20 May 1970, as amended, (statute of labourers) and the applicable national collective labour agreement shall apply. If the conduct at issue qualifies as a breach of employment duties and further without prejudice to disciplinary procedures and related measures, the Company shall have the power to make decisions that take into account the provisions of Section 2119 et seq. of the [Italian] Civil Code.

Measures against managers

In the event that managers fail to comply with the Programme, the entity having disciplinary authority shall start the proceedings falling within its jurisdiction for the purposes of any disputes and the application, if appropriate, of the relevant sanctions, as pursuant to the law and the applicable national collective labour agreement, including revocation of the powers granted to them through formal deeds such as powers of attorney, proxies, etc.

Measures against members of the Board of Directors

If the Programme is violated by a member of the Board of Directors, the Supervisory Board shall be required to provide immediate notice thereof to the Shareholders' Meeting and the Board of Statutory Auditors. Having evaluated the report as a whole, the Shareholders' Meeting shall, in compliance with law provisions, apply the measure it deems as appropriate in view of the degree of fault, negligence and damage that the Director's conduct caused to the Company.

If the violation was such as to harm the relationship of trust established with the Company, then the Shareholders' Meeting may proceed with the discharge of the formalities for the removal from office for just cause.

Measures against members of the Board of Statutory Auditors

In the event that a member of the Board of Statutory Auditors fails to comply with the Programme and to the extent that any such non-compliance warrants removal from office for just cause, the Board of Directors shall, upon consultation with the other members of the Board of Statutory Auditors, submit a proposal to the Shareholders' Meeting for the adoption of the measures falling within its jurisdiction, discharging the additional formalities as laid down by law.

Measures against third parties

As far as dealings with third parties are concerned, the relevant agreements must include contractual mechanisms or clauses informing the counterparties of the adoption of the Programme pursuant to Legislative Decree No. 231 dated 8 June 2001.

It should also be specified that failure to comply with the obligations set out in the aforesaid Legislative Decree shall result in the agreement being terminated forthwith pursuant to Section 1456 of the [Italian] Civil Code, without prejudice to any compensation for damages caused to the Company.

Failure to include such contractual mechanisms or clauses must be notified to the Supervisory Board by the relevant corporate function wherein the agreement is effective, complete with substantiated reasons.

Measures under Article 6(2-bis)(d) of Legislative Decree 231/01

In compliance with current legislation, the Supervisory Board is responsible for drawing up a so-called whistleblowing procedure, which provides for the measures described in paragraph 3.5.

Therefore, the Company - in the event of violations of the measures to protect the reporting party or of unfounded reports, committed with malice or serious misconduct - assesses their seriousness and applies the sanctions provided for in the previous points.