

CODE OF ETHICS

**ANNEX TO THE ORGANISATION
MANAGEMENT AND CONTROL
MODEL PURSUANT TO D.LGS. 231/01**

ANNEX n. 2 OMCM GENERAL SECTION

LEO SHOES S.R.L.

DATE	SIGNATURE	VERSION/AMENDMENT	NOTES

INTRODUCTION

1. Leo Shoes has chosen to adopt a Code of Ethics with which partners and associates, employees and collaborators (hereinafter referred to as *recipients*) are expected to comply and in relation to which they are to guide their actions.
2. The Code of Ethics sets out the values in which Leo Shoes believes and which it wishes to place at the core of its business choices and activities.
3. The adoption of this Code of Ethics has the primary objective of satisfying, in the best possible manner, the requirements and expectations of persons representing Leo Shoes, hereby advocating a high level of professionalism and explicitly prohibiting any such conduct that may arise that is in contrast not only with regulatory provisions, but also with the values of the company itself.
4. The Code of Ethics regulates relations between Leo Shoes and both its external and internal representatives according to principles of clarity and transparency. In addition, the code represents a set of principles and values necessary for best practice, trustworthy management and the good reputation of Leo Shoes.
5. All activities on behalf of Leo Shoes and all those who carry out these activities are expected to be fully aware of and compliant with this Code of Ethics.
6. This Code of Ethics is available to all employees/persons collaborating with the company and its stakeholders and is accessible on the Leo Shoes website. Moreover, the adoption of the Code of Ethics is communicated to any external parties collaborating with Leo Shoes (external collaborators, consultants, customers, suppliers, etc.) as well as through special contractual clauses.
7. Violation of this Code of Ethics, as well as of the OMCM (*Organisation Management and Control Model*), affects the company's relationship of trust towards recipients; accordingly, Leo Shoes retains its right to prosecute a transgressor in disciplinary, civil and criminal matters in compliance with the procedures established by this Code of Ethics and the OMCM.

LEO SHOES CODE OF ETHICS – PRINCIPLES

Art. 1 - Respect for the fundamental rights of the person

1. Leo Shoes respects the environment in which it operates, its employees and all persons upon whom the company's activities may have an impact.
2. Leo Shoes seeks to promote and protect the fundamental rights of the individual, including the right to health, the right to private and family life and the right to equality in accordance with the Italian Constitution and the ECHR (*European Convention for Human Rights*).

Art. 2 - Respect for ethical principles

1. Recipients are expected to respect and share the foundational values advocated by Leo Shoes. As part of their professional activities, employees are to conduct themselves according to the principles established in this Code of Ethics towards Leo Shoes, the environment in which it operates, the company's employees and persons upon whom the company's work may have an impact.

Art. 3 - Ethical principle compliance

1. In order to ensure mutual acceptance and observance of the company's principles and values – including external parties connected to Leo Shoes through commercial/consultancy relationships – special clauses are included in any contractual agreement(s) with the aforementioned so as to guarantee compliance with the conduct established in the Code of Ethics and the OMCM (external parties included); Leo Shoes hereby includes explicit termination clauses establishing a right of withdrawal and/or criminal clauses in its contracts with external collaborators in order to deal with any violations that may occur.

Art. 4 - Human resource management and employment of foreign workers and child labour

Human resources are indispensable to Leo Shoes as a company and to its progress. Employee dedication and professionalism are crucial values and prerequisites which allow Leo Shoes to achieve its objectives. Leo Shoes defends the value of the human person and is thereby firmly committed to avoiding and preventing any form(s) of discrimination based on age, gender, race, sexual orientation, marital status, religious belief, language, ethnic or national affiliation, health or physical/mental condition, pregnancy, maternity or paternity (including adoptive), personal beliefs and opinions, political opinions, union affiliation or activity or any other form of diversity. Leo Shoes

also seeks to create an inclusive working environment that is able to welcome diversity as well as enhance it. Leo Shoes therefore commits itself to promoting a workplace environment in which the following principles are guaranteed:

- Respect for human rights;
- Safety, health and integrity;
- Prevention of any form(s) of discrimination;
- Equal opportunities and meritocracy.

Employees of Leo Shoes are recruited with a lawful employment contract, no form of unlawful/undocumented work shall be tolerated.

It is explicitly forbidden to recruit foreign workers without a residence permit and/or to enter into such contracts with a duration longer than the continuance of the worker(s) in question's right of abode/to work. Leo Shoes does not employ any form of forced, compulsory or child labour, nor does it employ people under the age established for commencing work in accordance with workplace regulations. Leo Shoes also undertakes not to establish or maintain business relationships with suppliers who employ child labour.

Art. 5 – Workplace health and safety protection

1. Leo Shoes regards the protection of health and safety in the workplace as a fundamental value.
2. Leo Shoes adopts all measures necessary in order to guarantee protection of the physical well-being, dignity and person of its employees and, more generally, of the recipients of the Code of Ethics, in compliance with legislation and, moreover, all possible measures that are necessary in order to enhance the quality of its services and working practices.
3. Leo Shoes also adopts all measures necessary to protect the dignity of its employees, thus guaranteeing them a remuneration proportionate to the quality and quantity of the work they have performed. Leo Shoes faithfully respects the social security and welfare provisions of the CCNL (*National Collective Labour Agreement*), legislation, and the decisions of relevant governing bodies – including the Ispettorato del Lavoro (*Labour Inspectorate*) INPS (*National Institute for Social Security*) and INAIL (*National Institute for Insurance against Accidents at Work*).

Art. 6 - Intellectual property and trademark protection

1. Leo Shoes regards the protection of intellectual property and trademarks which the company holds owing to its business activity as a fundamental value.

2. In accordance with legislation, Leo Shoes ensures compliance with national, European Union and international regulations protecting industrial and intellectual property.
3. Recipients advocate the proper use – for any purpose and in any form – of trademarks, product logos/labels/distinguishing characteristics and all intellectual property/work of a creative nature (including computer software and databases) in order to protect both the author's *moral* and *property* rights.
4. Leo Shoes is committed to adopting all measures necessary to ensure that all employees be informed and made aware of compliance with the rules for the protection of intellectual property and the rules of conduct established by the company with the aim of avoiding any event in which its employees - either voluntarily or involuntarily – might use, employ or disseminate trademarks or product logos/labels/distinguishing characteristics – however they be named – in an improper manner.
5. It is forbidden to carry out any conduct aimed, in general, at counterfeiting, alteration, duplication, reproduction or dissemination in any unlawful form and/or that infringes the rights of others.
6. Leo Shoes is committed to respecting its clients'/client companies' Code of Ethics.
7. On subcontracting, Leo Shoes is committed to encouraging compliance with its own Code of Ethics in conjunction with those of its client's subcontracted companies through special contractual clauses.

Art. 7 - Environmental protection

1. Leo Shoes regards respect for the environment as a fundamental value.
2. Leo Shoes has always, through its application of technology and continuous research, developed the concept of a rational use of energy resources, thereby manufacturing products of high quality and low environmental impact.
3. Leo Shoes is also committed to compliance with environmental regulations (including the temporary storage, transport and management of any refuse/waste produced) by identifying specialist companies with the necessary environmental licences/permits.

Art. 8 - Prevention of money laundering and handling stolen goods

Recipients are required to comply with all national and international regulations and provisions relating to money laundering.

Art. 9 - Funding and sponsorships

Leo Shoes is open to requests for funding provided that these be from organisations and associations that are of a non-profit, cultural or social nature and, moreover, in accordance with internal company procedure. Furthermore, and in view of such initiatives, Leo Shoes undertakes to pay special heed to any potential situations that may arise in which there may be either a *personal* or *corporate* conflict of interest. Sponsorship activities may be carried out after defining specific agreements and verifying the good reputation of the beneficiary and the event/initiative promoted, thereby avoiding sponsorship agreements with persons/parties linked to criminal organisations or offences relating to money laundering etc.

Art. 10 - Subsidies and financing

Funding, subsidies or loans obtained from the European Union, the Italian State or any other public body (even if of modest value/amount) must be used exclusively for the purposes for which they were requested and granted.

Art. 11 - Fairness and transparency

1. Leo Shoes operates according to principles of sincerity, fairness and transparency in order to avoid any possible/potential conflict of interest.
2. In the event that current or potential conflict situations arise, prompt communication thereof to the employer or to the Supervisory Body is required so that appropriate measures may be taken.
3. Leo Shoes is committed to the recruitment of its employees based solely on their skills, attitude and abilities and to avoid any form(s) of discrimination.

Art. 12 - Transparency of financial reporting and internal control system

Financial transparency is based on the veracity, accuracy, integrity and reliability of management activity records and accounts.

All recipients are required to collaborate in such a manner that company accounts are completed/recorded promptly and accurately. Each operation/activity must be lawful, authorised, consistent, documented, verifiable, in compliance with principles of traceability and company procedures as well as criteria of due diligence in order to protect the company's best interests.

In preparing financial statements and any other type of accounting records or documentation, Leo Shoes complies with the applicable legislation and regulations in force. The company adopts

generally accepted accounting practices and principles and is guided by principles of transparency in relations with its stakeholders, thereby faithfully recording accounts according to criteria of transparency, honesty and propriety in compliance with company procedure.

Furthermore, Leo Shoes has adopted administrative and accounting procedures in accordance with the aforementioned principles.

Art. 13 - Conflict of interest

There is a relationship of complete trust between Leo Shoes and recipients and it is the unequivocal duty of all the former to use the assets of the company and their professional skills in the company's best interests and in compliance with the principles established by the Code of Ethics – representing the values by which Leo Shoes is guided and how it conducts business.

The recipients of the Code of Ethics must therefore avoid situations/activities that may lead to conflicts of interest with those of Leo Shoes or that could interfere with their ability to make impartial decisions in order to safeguard the best interests of the company.

Nonetheless, if a situation of conflict arises for a recipient in terms of the company's interests, the recipient in question must notify his/her superior and/or the Supervisory Body immediately and, furthermore, refrain from any further activity related to the situation causing this conflict.

Art. 14 - Independence

1. Under no circumstances can Leo Shoes be party to any activity that might compromise its values and principles.

CHARTER OF VALUES

Art. 15 - Leo Shoes Values

1. With this Code of Ethics, Leo Shoes is committed to respecting and promoting the following values:

- 🚧 respect for and protection of workplace health and safety through the adoption of necessary accident prevention measures and safeguards (periodically verified/updated) established by legislation or considered appropriate in terms of the activity in question;
- 🚧 respect for the environment and rational use of energy resources throughout production;

- ✚ continuous improvement of the quality of products and services;
- ✚ continuous technical, professional, regulatory, technological and qualitative updates;
- ✚ respect and protection of the Made in Italy brand;
- ✚ data confidentiality and security;
- ✚ protection of clients'/client companies' work, models and trademarks etc.;
- ✚ protection of intellectual property and corporate expertise;
- ✚ rigorous industrial ethics based on immutable rules of clarity and transparency – values that are also extended to the production area so as to ensure a management and production system that is able to satisfy the most challenging market demands.

OBLIGATIONS UNDER THE CODE OF ETHICS

Art. 16 – Employee obligations

1. Employees are to respect the Code of Ethics when working on an assignment and are to conduct themselves in compliance with this code, thereby avoiding any action/conduct in violation – actual or perceived – of the law, the Code of Ethics itself or the OMCM.

Art. 17 - Internal and external relations

1. Relations among the recipients of the Code of Ethics should be based on mutual respect, trust and collaboration; all persons must seek to ensure that professional relationships are maintained in a spirit of cordiality and fidelity and must avoid situations of conflict or animosity, thereby avoiding harassment, denigration or defamatory behaviour of any sort.

2. In relations with the outside world, recipients are to create trust and collaboration through conduct based on courtesy, willingness to communicate and an earnest performance of their responsibilities and duties.

3. Any unauthorised communication of information relating to corporate expertise or the intellectual property of clients and suppliers of which an employee is aware owing to their duties is prohibited.

Art. 18 - Relations with clients

Leo Shoes considers client satisfaction a key business objective and one for which it constantly works

thanks to the commitment of recipients in responding effectively to their clients' needs.

The company's clients are to be provided with comprehensive and accurate information on the products and services provided to them in order to allow them to make informed choices.

Leo Shoes is committed to clear and transparent communications with clients, informing them constantly and accurately on the characteristics of the products offered by using clear and understandable language and always ensuring that a position of parity with them is upheld. In relations with clients, recipients are to conduct themselves in a sincere, transparent and courteous manner.

Art. 19 - Relations with suppliers

Leo Shoes guides its procurement of goods and services in terms of its search for maximum competitive advantage by granting equal partnership opportunities for every supplier along with fairness and impartiality in its appraisals.

In its choice of suppliers, undue pressure aimed at favouring one supplier at the expense of another, such as to undermine the credibility and trust that the market places in Leo Shoes in terms of its transparency and rigorous respect for legislation and company procedure, shall neither be allowed nor tolerated.

Supplier selection criteria are based upon an appraisal of quality and cost-effectiveness of the services offered. Furthermore, Leo Shoes does not manipulate its bargaining power in order to impose oppressive or onerous conditions.

Every employee, consultant, supplier, partner or associate with any relationship to Leo Shoes is to comply with the principles indicated herein. Leo Shoes shall not establish nor continue collaboration with any person or party who neither accepts nor respects these principles.

Leo Shoes complies with current legislation and company procedure regarding its choice of suppliers and how it collaborates with them.

Suppliers are required to sign a confidentiality agreement included in their contractual agreement(s).

Art. 20 - Relations with political and trade union organisations

Neither directly nor indirectly does Leo Shoes favour nor does it discriminate against any political

or trade union organisation.

Leo Shoes does not fund in any way – directly or indirectly – political organisations, trade unions, movements, committees and organisations, their representatives or candidates (except for any contributions that may be due in accordance with specific national legislation or regulations).

Art. 21 – Press relations

1. Any relations with the press are conducted by the company or by a person who has been delegated to this task in accordance with the company's communication policy.
2. All information provided must be truthful, complete, accurate and transparent.
3. Recipients must refrain from making unauthorised statements or giving interviews concerning Leo Shoes without prior company consent.

Art. 22 - Public Administration relations

1. Recipients are prohibited from accepting benefits/benefiting from favouritism of any kind that may influence their work improperly or create suspicion thereof, be this from natural persons, legal entities/persons or members of the Public Administration.
2. Leo Shoes prohibits accepting or offering – directly or indirectly – payments or goods to members of the Public Administration/officials in order to to promote or favour its interests, with the exclusive exception of gestures of commercial courtesy of modest value and which are not aimed at acquiring any inappropriate/improper advantage.
3. Gifts that do not correspond to the normal and reasonable protocols of corporate courtesy are to be refused and the company/the Supervisory Body is to be informed immediately.
3. In relations with Public Administration, Leo Shoes cannot be represented by third parties, such as consultants or collaborators, if any conflict of interest – real or potential – may arise from such a relationship.

Art. 23 - Confidentiality

1. Recipients are obliged to respect professional confidentiality and to use information acquired exclusively for those purposes related to their work/duties both *during* the performance thereof as well as *after* the expiration of any employment/contractual relationship with Leo Shoes.
2. All employees are expected to prevent any loss of personal data/privileged information by observing the measures established by current legislation and Leo Shoes itself.

In terms of any interaction with the company's internal and external representatives, recipients must commit themselves to:

- protecting commercial confidentiality by respecting signed agreements and the principles of confidentiality prohibiting unauthorised disclosure;
- strictly limiting any disclosure of information to relevant and duly authorised persons only;
- respecting the confidentiality of information/data for which they are responsible;
- taking the utmost care in terms of written/oral information disclosed publicly.

The aforesaid undertake to:

- manage information relating to the company's relationships with clients and suppliers exclusively in terms of their professional activities, function(s) and role(s);
- not to disclose any confidential/privileged information – even after termination of an assignment or the expiration of any relationship of employment/collaboration;
- store data/information securely in order to prevent third-party access;
- use personal data/privileged information appropriately and exclusively for the purposes for which such data were collected for a specific, clear and legitimate purpose and store such data/information only as long as is necessary.

Recipients with access to privileged information are required to convey it externally on receiving explicit authorisation of their superiors or in order to comply with current and applicable legislation and under no other circumstances.

Clients may freely decide which personal information to communicate to Leo Shoes; the company ensures that the confidentiality of their personal data is respected in compliance with the professional commitments made towards them and in accordance with legislation.

Leo Shoes respects the right of individuals to recover, correct or delete data and to use back-up devices (both physical and digital) for any data collected.

Leo Shoes recognises the value of the data with which it has been entrusted by its clients and contacts.

Operating in the luxury sector, Leo Shoes is privy to its clients' privileged information with potentially high market value; therefore, the company – aware of the risk of data breaches – focuses not only on simple compliance with general data protection regulations, but also on securing the best possible protection of its clients' data at all times.

In order to counter the risk of data breaches in the best possible way, Leo Shoes has created a number

of essential privacy policies in terms of its employees, clients and suppliers.

In addition, information on the company's purchases is shared internally and only to requisite personnel; such information is not to be shared externally for any reason.

In particular, this information concerns:

- purchase prices and conditions for products, services or suppliers;
- data and information relating to suppliers (e.g. turnover and supplier quality etc.);
- product or service specifications;
- commercial or financial information of companies.

Art. 24 – Proper conduct

1. All employees of Leo Shoes are required to conduct themselves, use language and maintain an image that is in keeping with their professional responsibilities, position and duties.
2. All employees are considered responsible for the reputation and image of Leo Shoes within the community.

Art. 25 – Protecting intellectual property and corporate expertise

Expertise, by which is meant confidential technical-industrial and commercial knowledge, is a competitive asset of extraordinary importance for Leo Shoes and, as such, the company is required to protect it and maintain its strict confidentiality.

Therefore, information relating to models, designs, drafts and studies relating to footwear produced with brands belonging directly or indirectly to Leo Shoes or to third parties, as well as services, projects, including commercial, management, industrial and strategic plans, data relating to expertise and to technological processes, financial transactions, operational strategies, investment and disinvestment strategies, operational results, personal data of employees and lists of clients and collaborators or information regarding present and future activities may not be disclosed without the written consent of Leo Shoes; such information must be stored securely and must not be accessible to third parties without explicit authorisation.

Furthermore, it is forbidden for any employee or person working in any role on behalf of Leo Shoes to use trademarks, models, designs or materials entrusted to Leo Shoes by client companies or refer to these or any other element to which they may have access owing to their professional duties/responsibilities.

Recipients are expected to:

1. refrain from any conduct that may infringe industrial property rights, including the alteration or counterfeiting of the logos/labels/distinguishing characteristics of industrial products, patents, designs or industrial models – both national and foreign – or infringements of intellectual property protected by copyright;
2. refrain from importing, marketing or otherwise using or allowing industrial products with counterfeit, false or altered product logos/labels/distinguishing characteristics obtained through the infringement of third-party rights to enter into circulation;
3. not to allow third parties to use branded material in an unauthorised or improper manner;
4. endeavour to safeguard intellectual property with the utmost due diligence and disclose it only if/when strictly necessary and with prior company authorisation within the framework of the company's confidentiality agreements.

Art. 26 – Workplace equipment

1. Employees are deemed personally responsible for the care, protection and good maintenance of company assets entrusted to them for the purposes of their professional tasks.
2. All instruments/tools/equipment made available by Leo Shoes for the performance of tasks are to be used exclusively for the time necessary to carry out the task in question.
3. Recipients may not disclose either paper or electronic material that is the property of Leo Shoes without explicit company authorisation.
4. It is forbidden for recipients who have access to the Internet and the use of company computers and internet connections to download software or files protected by copyright or to store any such material on computer media unless they are for a legitimate professional task; likewise, the use of e-mail accounts for personal use is prohibited.

DISCLOSURE AND SUPERVISION OF THE CODE OF ETHICS

Art. 27 - Disclosure

1. The Leo Shoes Code of Ethics should be communicated to employees, partners and associates and any other person(s) who may receive assignments or collaborate with Leo Shoes on an ongoing basis.
2. The Code of Ethics is to be used as an additional and enhancing component of any commercial communication/interaction and, on such occasions, may be disclosed to all of the company's stakeholders as well as to the wider community.
3. The company's managers (in various roles) undertake to convey the contents and principles of the Code of Ethics to employees, collaborators, clients and members of the Public Administration/officials in a thorough manner.
4. In order for the Code of Ethics to be conveyed in a general and well-informed manner, Leo Shoes may carry out specific procedures with the aim of furthering knowledge and understanding of this code to those whom it may concern.

Art. 28 - Non-compliance with the Code of Ethics

1. In the event of non-compliance with the Code of Ethics, a transgressor is to be summoned by the employer or the Supervisory Body, which shall hear the transgressor in question's explanations/justifications. The duties of the Supervisory Body are to be found in Article 31 herein.
2. Leo Shoes, through the Supervisory Body, regards the provisions of the Code of Ethics and the OMCM as binding on all persons, including those with high-level management functions (including directors).
2. Any assessment of a transgression shall take into account the intent, the gravity, the duties/roles for which the transgressor(s) is/are responsible, any possible involvement of other persons and any recidivism on the part of the transgressor(s) in question.
3. Leo Shoes undertakes to determine the nature and extent of any sanction(s) to be taken against the transgressor(s) under consideration in accordance with applicable CCNL (*National Collective Labour Agreement*) provisions, current legislation and the OMCM.

Art. 29 - Violations of the Code of Ethics by external parties

1. Any conduct by persons/parties external to Leo Shoes, yet under a contractual agreement with the company for commercial or consultancy purposes, which is deemed to be in contrast with the this Code of Ethics and the OMCM, may lead to sanctions, penalties and the termination of any extant contractual agreements/obligations.

Art. 30 – Reporting violations to the Supervisory Body

1. In order to identify and, thereafter, sanction any violations of the Code of Ethics and of the OMCM, Leo Shoes has established a Supervisory Body within its organisational structure.

2. Violations of the Code of Ethics and the OMCM are to be reported to the Supervisory Body by all persons who become aware of such violations.

3. Employees may communicate any violations to an immediate manager/superior, who is then to inform the Supervisory Body.

4. Reports and complaints must be detailed, identifiable and verifiable. Furthermore, in order for the Supervisory Body and the employer to verify any such violations, the opportune and seemly cooperation of employees, and partners and associates is required.

Art. 31 - Supervisory Body duties and powers

1. The Supervisory Body monitors compliance of the company's activities at all levels and in accordance with the rules and principles established in the Code of Ethics and guided by principles of impartiality, transparency and autonomous judgement.

2. Actions taken by the Supervisory Body's must comply with the principles and rules established by the Code of Ethics, the OMCM and the operational regulations of the Supervisory Body itself.