

# ORGANIZATIONAL MODEL

## MANAGEMENT AND CONTROL MODEL UNDER LEGISLATIVE DECREE NO. 231 OF 2001 ADOPTED BY ZEGNA BARUFFA LANE BORGOSIESIA S.P.A.

Legislative Decree no. 231 of 8 June 2001 introduced into Italian law a system of administrative liability for Entities (companies, associations, consortia, etc.) for certain types of offences committed, in the interest or to the advantage of the Entities themselves, by:

1. persons who hold positions of representation, administration or management of the Entities themselves, or by persons who exercise, even de facto, the management and control of the Entities themselves;
2. persons subject to the management or supervision of one of the persons indicated above. This administrative liability is supplementary to the criminal liability of the natural person who has actually committed the Offence. The extension of liability to the Entity is in fact intended also to involve in the punishment of certain criminal offences such Entities as have benefited, directly or indirectly, from the commission of the Offence. The Entity's liability under Legislative Decree 231/2001 arises when an Offence has been committed which:
  - a) is one of those designated by the Decree in a specific list;
  - b) was committed additionally or exclusively in the interest or to the advantage of the Entity, unless in the latter case the Offence was committed in the exclusive interest of the offender or third parties;
  - c) was committed by one of the natural persons listed above. At the present time, the Offences provided for by the Decree number more than seventy and relate to violations in the form of offences against the Public Administration, against the public interest, against individual personality or against the person and in particular to violations of accident prevention regulations, corporate offences, terrorism offences, organised crime, the handling of stolen goods, money laundering, disposal of waste, unlawful processing of data and others. The list will steadily be extended by subsequent legislation.

Under Legislative Decree 231/2001, administrative liability is excluded if the Entity has adopted and effectively implemented suitable Organisational and Management Models for preventing the Offences covered by the Decree as it stands or subsequently introduced. Article 6 of the Decree, in particular, introduces a specific form of exemption from administrative liability if the Entity demonstrates:

- a) it had adopted and effectively implemented, through its management body (Board of Directors), before the act was committed, Organisational and Management Models suitable for preventing Offences of the type that have occurred;
- b) it had entrusted to an internal body, endowed with independent powers of initiative and control, the task of supervising the functioning and observance of the Models, as well as of updating them (Supervisory Body);
- c) that the persons who committed the offence acted by fraudulently circumventing the above Organisational and Management Models;
- d) that the supervision by the Body indicated in letter b) above has not been absent or insufficient.

Zegna Baruffa Lane Borgosesia S.p.A. is aware of the value that can derive from an internal control system suitable for preventing the commission of Offences by its Employees, Directors and Partners, and has therefore adopted an Organisational and Management Model, in the knowledge that this measure and above all the effective implementation of the Model will not only enable the company to benefit from the exemption provided for by the Decree, but will also be able to improve its *corporate Governance*, thereby limiting the risk of the Offences being committed at all.

The purpose of the Model is therefore **the provision of a structured and organic system of control procedures and activities** (preventive and *ex-post*) for the reduction of the risk of perpetration of the Offences, always starting from the analysis of the risks with a view to verifying in what area or sector of the company it would be possible to carry out the Offences provided for by the Decree (vulnerable areas).

Accordingly, the Board of Directors of Zegna Baruffa Lane Borgosesia S.p.A. in its meeting of 17/12/2010 adopted an Organisational and Management Model and appointed the Supervisory Body. The Model consists of the General Section, the Code of Ethics, the Special Section, the Regulations of the Supervisory Body, the Sanctions System and the procedures adopted to protect areas vulnerable to the committing of offences that entail the application of administrative sanctions. The General Section, the Code of Ethics and the Sanctions System are the parts of the Model made public and therefore accessible to all: the Code of Ethics is published here. The role of Guarantor of the Model is assigned to the Supervisory Body, made up of three professionals who are not involved in the activities of Zegna Baruffa Lane Borgosesia S.p.A.

The Supervisory Body may be contacted with information of any circumstances relevant for the purposes of the Model:

- by written communication in a sealed envelope addressed to "**Supervisory Body under Legislative Decree 231/2001 c/o Zegna Baruffa Lane Borgosesia S.p.A., Via Milano 160 - 13856 Vigliano Biellese (BI)**" using the form provided, which is also attached
- at the following email address [OdV231@baruffa.com](mailto:OdV231@baruffa.com) . It should be noted that communications to the above email address are reserved for the members of the Supervisory Body itself and are technically prevented from being read within the company.

Given that communications to the Supervisory Body may concern confidential or particular aspects of the organisation, it is possible for any person to request anonymity, making this request clear in writing as a note to the paper documents or emails sent to the above address.

### **SEE PDFs**

Code of Ethics

Reporting Form