



BRUNELLO CUCINELLI

CODE OF ETHICS



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Code of Ethics
of
Brunello Cucinelli

Approved by the Board of Directors on June 20th, 2011



CODE OF ETHICS

TABLE OF CONTENTS

1.	Introduction.....	3
2.	The humanistic enterprise	4
3.	General principles	5
4.	Intended recipients	6
5.	Relations with stakeholders	7
5.1	Rules of conduct in relations with suppliers	7
5.2	Rules of conduct in relations with customers	8
5.3	Rules of conduct for managing human resources	9
5.4	Rules of conduct for relations with the public administration	9
5.5	Relations with media outlets	10
6.	Transparency of accounting and internal controls and the prevention of money laundering	11
6.1	Accounting entries and the ensuing preparation of financial statements.....	11
6.2	Internal controls	12
6.3	Prevention of money laundering	12
7.	Confidential information and the protection of privacy.....	13
8.	Reporting to the Supervisory Board.....	14



CODE OF ETHICS

1. Introduction

In the medieval hamlet of Solomeo, Brunello Cucinelli created a new way of doing business: a Company with people at its core, where work is viewed as an expression of human value, profit becomes a means to achieving the higher end of the *true good* in order to improve the lives of workers, to develop and recover the world's beauty.

Brunello Cucinelli, founded in 1978 as a cashmere producer, now offers full collections of apparel and accessories. It is one of the best established brands in the luxury and *casual-chic* fashion sector. Cucinelli products are known for their quality, hand-crafted attention to detail and creativity, as well as their ability to innovate while retaining their value over time.

Brunello Cucinelli brand collections are created in Solomeo, a small, fully restored 14th-century hamlet outside Perugia that is home to 400 inhabitants, a castle, where the Company is headquartered, a few medieval houses used as workshops, a square and an old farm, transformed into a villa that hosts the cafeteria and cultural events. Nearby are the Forum of the Arts, with the Neohumanistic Academy and its Library, the gardens, amphitheatre and theatre.

Within Solomeo's "humanistic enterprise," work pursues a single goal, in harmony with the great universal principles of ethics, dignity and morality. Most importantly, there is a scale of non-material values that is recognized as an integral part of the Company. The Company follows its own code of ethics: both internally, in interpersonal relations, and externally, it always puts human values first. This allows each person to feel responsible for his or her work without the need for excessive bureaucracy and without penalizing individuality. Freedom is exalted and a united group is created in which each person has a role to play for the *good of all*.

These values and principles, established over more than 30 years of history, are now naturally enshrined in the **Code of Ethics**, through which the Company clearly reinforces the values and responsibilities that have always distinguished its business culture.

Alongside the fundamental values and general principles of respect for the law, integrity, transparency, propriety and good faith, the Code of Ethics places a strong emphasis on the objectives of sustainable development, including the wellbeing of the people who work at and collaborate with Brunello Cucinelli and the Company's responsibility to the local community.

The Code of Ethics is also an integral part of the Organization and Control Model adopted by Brunello Cucinelli S.p.A. and represents the foundation for the preventative control system pursuant to Legislative Decree 231/01.



2. The humanistic enterprise

Under the conviction that a calm environment and the beauty of the landscape exalt human creativity and develop a community where those who work follow a shared scale of values, Brunello Cucinelli has made the 14th-century hamlet of Solomeo home to its humanistic enterprise. These crafts workshops, like medieval workyards, have no owners, but only different roles and responsibilities: bona fide art studios, they are the vital crucibles of new proposals and new ideas. Everyone knows that his or her own work represents an indispensable contribution to the common progress: "overall quality" is the result of each person's own internal quality. The quality of life, emotional relations and the personal lives of workers are also values to be safeguarded.

The *Humanistic Enterprise* is the noblest form of expression of all of the rules of ethics that humankind has established over the centuries. A form of modern capitalism with strong roots in the past, where profit is earned while seeking to avoid harming humankind and part of that profit is then used to pursue any initiatives that are suited to effecting a concrete improvement in the conditions of human life.

Within the Company's organization, the common good is the touchstone, the guiding force towards achieving prudent, courageous actions. Humankind is at the centre of all production processes and human dignity is restored through the rediscovery of the Conscience.



CODE OF ETHICS

3. General principles

The following is a list of the principles and values deemed to be fundamental, to which the various stakeholders are to refer in order to foster the Company's efficient operation, reliability and reputation.

Legality

In conducting its business, the Company acts in a manner compliant with all laws and regulations in force in the territories in which it operates, as well as with the Code of Ethics and Company procedures, which it applies with integrity and equity.

Confidentiality

The Company guarantees the confidentiality of the personal information and data it processes and the protection of information obtained in regards to professional services rendered.

Transparency

The Company undertakes to provide all stakeholders with a clear and transparent account of its situation and performance, without favouring any group of interests or individual.

Fair competition

The Company operates on the Italian and international market in the sale of cashmere knitwear, articles of apparel in leather and other materials, and accessories, and engages in fair competition in the marketplace, complying with Italian and European principles and laws protecting competition.

Personal dignity

The Company undertakes to promote respect for the physical and cultural integrity of individuals and respect for interpersonal relations. It guarantees working conditions that are respectful of individual dignity and safe working environments and safeguards and promotes the value of human resources, all with the aim of improving and increasing the wealth of skills possessed by each employee.

Integrity and propriety

Dealings with the Company's stakeholders are guided by the principles of propriety, cooperation, loyalty and mutual respect. External relations and employee relations are shaped by the utmost sense of loyalty, which consists in acting with a sense of responsibility.

Quality

The Company undertakes to be attentive to the market's changing needs and to constantly improve the quality of its products.

Environmental protection

The Company contributes constructively to environmental sustainability in all of its activities. The commitment to safeguard the environment is put into practice by planning activities that seek a balance between economic initiatives and essential environmental needs in accordance with applicable Italian and international directives.

Responsibility to society

In its operations, the Company takes account of the needs of the community in which it conducts its business and contributes to promoting quality of life as well as economic, social, cultural and civil development.



CODE OF ETHICS

4. Intended recipients

The set of ethical principles, values and rules of conduct set forth in this Code are intended to inspire the actions of all those who operate within the Group's sphere of activity, whether internally or externally.

Such persons include, but are not limited to:

- the members of the Board of Directors, who draw their inspiration from the principles of the Code in setting business goals;
- the members of the Board of Auditors, who ensure respect for and compliance with the contents of the Code in discharging their duties;
- executives, who put the values and principles contained in the Code into practice, assuming internal and external responsibility and strengthening the bonds of trust, cohesion and team spirit;
- employees, who adhere in their actions and behaviour to the principles, objectives and commitments outlined in the Code with due respect for applicable laws and regulations; and
- all those who act on the Company's behalf, who adhere to the Code in their behaviour.

All intended recipients are asked to comply with, and, to the extent of their competence, ensure that others comply with, the principles set forth in the Code: under no circumstances may the claim of acting in the interest of the Company and Group justify the adoption of conduct in conflict with that outlined herein.

The Code also applies to the business conducted by the Company and Group outside of Italy, while taking account of the differences existing from a legal, social, economic and cultural standpoint.

The Company undertakes to ensure timely internal and external dissemination of the Code by means of:

- distribution to all members of Company bodies and employees;
- display in a place accessible to all; and
- availability to the intended recipients on the website.



CODE OF ETHICS

5. Relations with stakeholders

The term "stakeholders" refers to those parties directly or indirectly involved in the Group's business that have an interest in relation to the decisions, strategic initiatives and possible actions of the Company and Group.

Stakeholders thus include, but are not limited to, employees (including executives), customers, designers, agents, independent contractors of any sort, suppliers, citizens, attorneys, municipal, provincial and national institutions, trade associations, environmental associations and, more generally, any parties with an interest in the Group's business, at a national or international level.

Propriety in relations with such parties is an indispensable goal for the Group, inasmuch as it is a primary imperative of the Code, as well as a condition suited to fostering, among other things, customer loyalty and trust, the reliability of suppliers, designers, agents and business developers, constant improvement in relations with the human resources who render their services to the Company, the development of virtuous dialogue with local communities and institutions, the management of dealings with the public administration guided by criteria of transparency and propriety, the accuracy and completeness of the information provided to media outlets, and the avoidance and prevention of unlawful acts and offences, in particular as regards those governed by Legislative Decree 231/2001, as amended.

Accordingly, the conduct of the Code's intended recipients in relations with stakeholders must be consistent and compliant with the principles of the Code.

5.1 Rules of conduct in relations with suppliers

The Company undertakes to seek in its suppliers and external contractors the professional expertise suited to full compliance with the principles and contents of the Code and promotes the formation of long-term relationships aimed at gradually improving performance in the area of safeguarding and promoting the principles and contents of the Code.

The Group's professionalism and commitment characterize the selection and definition of the actions to be taken, the methods to be followed in organizing projects and the selection of suppliers and outside contractors (including consultants, agents, business developers, designers, etc.) identified from time to time in order to establish a relationship complementary to their specific professional expertise by organizing forms of collaboration and mutual exchange and entrusting them with the performance of part of its activities.

Professional and commercial contributions must be guided by professional commitment and rigour and must at all times meet the standards of professionalism and responsibility that characterize the Group, with the attention and precision required to pursue respect for and dissemination of the Group's prestige and reputation.

The Group prohibits and prosecutes corruption, inappropriate favours, collusion, solicitation of advantages, the receipt of tangible and intangible benefits and other advantages aimed at influencing or compensating exponents of institutions or group employees.

CODE OF ETHICS

Suppliers, consultants, designers, agents and business developers are selected according to procedures compliant with the laws applicable to each case and are constantly guided by criteria of transparency, competitiveness and efficiency.

To that end, executives and employees in charge of the Company functions that participate in such processes must:

- grant participants who meet the requirements equal opportunity to take part in the selection process;
- verify that they possess the means, including financial means, organizational structure, technical skills and experience, quality systems and resources appropriate to the Company's needs and image, including by reviewing suitable documentation;
- verify compliance with labour laws, including those that govern child labour and the health and safety of workers; and
- verify that they are not involved in terrorism, whether they are individuals or legal entities.

All those who act on the Company's behalf:

- must adhere to all contractual documentation provided by the Company, which includes the obligation to comply with the Code and rules of conduct that the Company has prepared and disseminated, which also establish specific penalties for any breach of such rules; and
- are required to pursue the goal of focusing on the needs of the local area, communities and customers that shape the activity of the Company and Group.

Those who act on the Company's behalf, including those who discharge their duties autonomously, must go about their work in a manner compliant with procedures aimed at ensuring safety and wellbeing in the workplace.

5.2 *Rules of conduct in relations with customers*

In its dealings with customers, the Company observes the principles of transparency, reliability, responsibility and quality.

The Intended Recipients must therefore:

- comply with the laws and regulations that govern the performance of their activity;
- scrupulously observe the provisions of this Code of Ethics and the internal procedures for managing customer relations;
- provide customers with full information concerning contractual terms and conditions so that customers are fully aware thereof when they enter into agreements, as well as information concerning any changes in economic conditions and the results of any inquiries requested by customers; and
- engage in conduct guided by a willingness to be helpful, respect and courtesy, in line with Bruno Cucinelli's standards, characterized by the highest level of professionalism.

CODE OF ETHICS

5.3 Rules of conduct for managing human resources

The Group acknowledges the central role played by human resources in achieving its mission and therefore adopts selection, training and work procedures and methods guided by respect for human values, workers' autonomy and responsibility and the importance of organized and individual participation in and compliance with the Company's goals and values.

It is in the Group's interest, and a matter of imperative importance, to foster the development of each employee's or contractor's potential by promoting a working environment, procedures and organization that are constantly shaped by:

- respect for each individual's personality and dignity, including during the selection process, and the prevention of the emergence of situations of discomfort, hostility or intimidation at all times;
- the prevention of discrimination and abuse of any kind;
- the full development of the spirit of innovation and entrepreneurship, in accordance with each individual's limits of responsibility; and
- the definition of roles, responsibilities, powers and access to information suited to ensuring that each member of the organization may take the decisions for which he or she is responsible in the Company's interest.

5.4 Rules of conduct for relations with the public administration

Dealings with the public administration are guided by the utmost transparency and propriety.

In further detail, the Group has the necessary dealings, in accordance with the roles and functions assigned by law, as well as the spirit of full cooperation, with government administrations in Italy and other countries.

Relations with public officials are limited to the assigned and duly authorized Company functions in accordance with the strictest compliance with provisions of laws and regulations and may in no manner compromise the Group's integrity and reputation.

To that end, it is prohibited to offer sums of money or other means of payment to public officials or public service providers, either directly or through intermediaries, with the aim of influencing their actions in the performance of their duties.

Such prescriptions may not be circumvented by making use of other forms of contributions that under the guise of sponsorships, appointments, consulting engagements, advertising, etc. serve the same purposes as prohibited above.

Acts of courtesy, such as gifts and forms of hospitality, towards representatives of the public administration or government officials are permitted provided they are modest in value and may be considered customary in relation to the circumstances, do not compromise the recipient's integrity and reputation and do not influence his or her autonomy of judgment.

In any event, such expenses must always be authorized according to specific Company procedures and appropriately documented.



CODE OF ETHICS

In a like manner, executives, employees and all those who act in the name and/or on behalf of the Company may not receive gifts or favourable treatment, except within the limits of normal courteous relations and modest value.

This rule, which applies both to gifts promised or offered and gifts received, also applies in countries in which it is customary to offer gifts of high value.

5.5 *Relations with media outlets*

Relations between the Company and the mass media generally fall within the exclusive purview of the Company functions and responsibilities assigned to this task and must be conducted in accordance with the communications policy defined by the Company.

The Intended Recipients within the Company therefore may not disclose information to representatives of mass media outlets without the permission of the competent functions.

In any event, information and communications concerning the Company intended for the outside world must be accurate, truthful, complete, transparent and internally consistent.

CODE OF ETHICS

6. Transparency of accounting and internal controls and the prevention of money laundering

The Company guarantees its shareholders transparency of action and the right to be informed, in addition to the cases specified by applicable legislation, regarding all circumstances deemed of interest.

To that end, it prepares specific information streams from operational functions towards the Board of Directors and from the latter towards shareholders, in order to ensure that information is constantly up-to-date and complete.

6.1 Accounting entries and the ensuing preparation of financial statements

All operations or transactions must be properly and punctually recorded in the Company's accounting system according to the criteria specified by the law and on the basis of applicable accounting principles. All operations or transactions must be authorized, verifiable, legitimate, consistent and appropriate.

In order for accounting records to meet the requirements of the accuracy, completeness and transparency of the data they contain, the Company's records must include adequate, complete supporting documentation for the activity performed, so as to allow for:

- the accurate entry of each transaction into accounting records;
- the immediate determination of the characteristics and motivations of each transaction;
- the ready formal chronological reconstruction of the transaction; and
- the verification of the decision-making, authorization and execution process, as well as the identification of the various levels of responsibility and control.

Each accounting entry must precisely reflect the content of the supporting documentation. Accordingly, each Intended Recipient with responsibility in this area is charged with ensuring that supporting documentation is readily available and organized according to logical criteria and in accordance with Company provisions and procedures.

No one may perform any kind of payment in the Company's interest in the absence of adequate supporting documentation.

The Intended Recipients who become aware of omissions, falsifications or negligence in accounting entries or supporting documentation are required to report them to their superiors in a timely manner.



CODE OF ETHICS

6.2 Internal controls

By "internal controls" are meant all instruments necessary or helpful to guiding, verifying and pursuing the Company's activities with the aim of ensuring compliance with the law and Company procedures, protecting Company assets, effectively managing Company business and clearly providing truthful and accurate information regarding the Company's earnings and financial position, as well as identifying and preventing the risks to which the Company may be exposed.

It is the Company's duty to spread an internal culture characterized by an awareness of the existence of controls and oriented towards the application of such controls at all levels.

6.3 Prevention of money laundering

The Company undertakes to comply with all national and international laws and regulations governing the prevention of money laundering. To that end, the Company has adopted specific procedures that call for:

- the identification of customers/suppliers;
- a prohibition against accepting and executing payment in relation to parties that may not be identified, are not contained in Company records or do not allow payment to be traced (amount, name, address and account number), or in cases in which reviews as part of the process of adding/amending entries to supplier/client records indicate that a full match between the name of the supplier/customer and the holder of the payer/payee's account may not be ensured;
- the obligation to use authorized financial operators in order to execute each of the foregoing transactions; and
- the prohibition of the use of cash or other unregistered financial instruments, except as so provided for in Company regulations, for any transaction involving the collection, payment, or transfer of funds, or any other use of financial resources, as well as the prohibition of the use of anonymous bank accounts or savings books or those registered to fictitious entities.

Before establishing relations or entering into contracts with non-occasional customers and other partners in relation to long-term business, the counterparty's moral integrity, reputation and good name must be ensured.



CODE OF ETHICS

7. Confidential information and the protection of privacy

The Company's activities constantly require the acquisition, conservation, processing, communication and dissemination of data, documents and information concerning negotiations, transactions and contracts.

The Company's databases may also contain personal data protected by privacy legislation, data that may not be externally disclosed, and, lastly, data the disclosure of which could result in damages for the Company.

All Code's Intended Recipients are therefore required to uphold the secrecy and confidentiality of information obtained in the course of the performance of their professional duties.

All information, knowledge and data acquired or processed by the Code's Intended Recipients in the course of their duties may not be used, communicated or disclosed.

The Code's intended recipients shall:

- acquire and process only the necessary data directly related to his or her duties;
- conserve such data in such a way as to prevent third parties from obtaining them;
- communicate and disclose data within the context of the procedures set by the Company or with the permission of the person assigned to do so; and
- determine the secret and confidential nature of information in accordance with the provisions of the procedures set by the Company.

For its part, the Company undertakes to protect the information and data concerning the intended recipients and third parties and avoid any improper usage thereof.

CODE OF ETHICS

8. Reporting to the Supervisory Board

A Supervisory Board appointed pursuant to Legislative Decree 231/01 is responsible for overseeing compliance with the Code of Ethics.

The Supervisory Board has the following tasks in relation to the Code of Ethics:

- supervising compliance with the Code of Ethics with the aim of avoiding the risk of the commission of the offences governed by the Decree;
- formulating its remarks in regards to the problems of an ethical nature that arise in the course of the Company's decisions and alleged breaches of the Code of Ethics attributable to the Supervisory Board;
- providing operational support for the interpretation and implementation of the Code of Ethics as a tool for constant reference concerning the proper behaviour to be engaged in during the conduct of its activity;
- supervising and coordinating the periodic revision of the Code of Ethics, including through its own proposals for adjustments or updates;
- drafting and approving the ethics communications and training plan; and
- reporting any breaches of the Code of Ethics to the competent Company bodies, suggesting the penalties to be imposed and verifying the actual application of any measures taken.

The Code's intended recipients may report any breaches or suspected breaches of the Code of Ethics in written, non-anonymous form to the Supervisory Board, which shall then analyze the report, consulting the author and the party responsible for the alleged breach, where appropriate.

The Supervisory Board shall act in such a way as to protect those who report breaches from all sorts of reprisals, defined as actions that may give rise to even mere suspicion of discrimination or penalization. The confidentiality of the reporting party is also guaranteed, without prejudice to legal obligations.

In order to enable timely compliance with the provisions of this paragraph, it is made available the following email address: organismodivigilanza@brunellocucinelli.it.

Reports may also be forwarded to the address: Organismo di Vigilanza- Brunello Cucinelli S.p.A., Via Dell'Industria, 5 – 06073 Solomeo (PG).