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Code of conduct for internal dealing

Text approved by the Board of Directors on 28 July 2016

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d) transactions in derivative or related instruments, including cash-settled transactions;	1
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f) the purchase, sale or exercise of rights, including put/call options and warrants;	1
g) subscriptions to a capital increase or the issue of debt securities;	1

h) transactions in derivative instruments and financial instruments related to an Aeffe debt instrument, including credit default swaps;	1
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i) the employee plan and its conditions were previously approved by the Issuer in compliance with national legislation, and the conditions of the plan specify the grant or assignment periods and the amount of the financial instruments granted or assigned, or the basis for calculating that amount, on condition that no discretionary powers can be exercised;	3
ii) the Relevant Party has no discretionary powers with regard to acceptance of the financial instruments granted or assigned;	3
(b) the Relevant Party was granted or assigned financial instruments in the context of an employee plan implemented during the Black-out period, on condition that a pre-planned and organized method is applied to determine the conditions, frequency and timing of assignments, that the group of authorized persons to whom the financial instruments are granted is indicated, together with the amount of the financial instruments to be assigned, and that the grant or assignment of the financial instruments is made within a defined framework in which the grant or assignment cannot be influenced by any privileged information;	3
(c) the Relevant Party exercises options or warrants or rights to convert convertible bonds that were assigned under an employee plan, if the expiry date of those options, warrants or convertible bonds is included in a Black-out	

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ii) the decision of the Relevant Party is irrevocable;	3
iii) the Relevant Party was previously authorized by Aeffe;	3
(d) the Relevant Party acquired Aeffe financial instruments as part of an employee savings plan, subject to all of the following conditions being met:.....	4
i) the Relevant Party joined the plan prior to the Black-out period, except in cases in which it was not possible to join at another time, due to the start date of the working relationship;	4
ii) the Relevant Party does not modify the conditions of participation in the plan or revoke that participation during the Black-out period;.....	4
iii) the purchase transactions are clearly organized on the basis of the plan conditions and the Relevant Party is not entitled or has no legal right to modify them during the Black-out period, or such transactions are scheduled under the plan in such a way that they take place on a predetermined date included in the Black-out period;.....	4
(e) the Relevant Party transfers or receives financial instruments, directly or indirectly, on condition that they are transferred from one account to another account of that person and that the transfer does not involve changes in their price;.....	4
(f) the Relevant Party acquires a guarantee or rights relating to Aeffe shares and the final date for that acquisition is included in the Black-out period, in compliance with the Articles of Association of Aeffe or in accordance with the law, on condition that the Relevant Party explains to Aeffe the reasons for which the acquisition did not take place at another time and that Aeffe accepts the explanation given.	4

1. INTRODUCTION

This code of conduct on internal dealing (the “**Code of Conduct**” or the “**Code**”), with mandatory effect, was approved by the Board of Directors of Aeffe S.p.A. (“**Aeffe**” or the “**Company**”) at the meeting held on 28 July 2016, and adopted pursuant to Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 (the “**EU Regulation**”), Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 (the “**Delegated Regulation**”), Commission Implementing Regulation (EU) 2016/523 of 10 March 2016, art. 114, para. 7, of Decree 58/1998 (Consolidated Finance Law, “**TUF**”), as subsequently amended, and the related enabling regulations contained in arts. 152-sexies to 152-octies of Consob Regulation 11971/1999 (“**Issuers' Regulations**”). The Code also takes account of Consob Communication 0061330 published on 1 July 2016 and, to the extent applicable, Consob Communication DME/6027054 dated 28 March 2006.

2. DEFINITIONS

For the purposes of this Code of Conduct, the following definitions apply:

2.1 **Relevant Parties:** the following parties, as envisaged in general terms by art. 3, para. 1.25, of the EU Regulations:

- (a) members of the Company's Board of Directors and Board of Statutory Auditors;
- (b) parties who perform senior managerial functions and executives who have proper access to privileged information and who have the power to make management decisions that may influence the development and future prospects of the Company, being in particular:
 - (i) the Group General Manager, the Group Operations Director, the Contact Officer and the Investor Relations Officer;
 - (ii) other parties specifically identified by the Chairman of the Board of Directors of Aeffe having regard for the work they perform or the tasks assigned to them; the names of these parties must be communicated immediately to the Responsible Party, as defined below, who will promptly take the action envisaged in art. 7.1 of the Code.

2.2 **Closely-Related Persons:**

- (a) the spouse or equivalent partner, dependent children and relations if living together for at least one year at the date of the Relevant Transaction (collectively, “**Relevant Family members**”);
- (b) the legal persons, partnerships and trusts that are managed by a Relevant Party or a Relevant Family member, or that are controlled directly or indirectly by a Relevant Party or a Relevant Family member, or whose economic interests are

substantially the same as those of a Relevant Party or a Relevant Family member, or that were formed for the benefit of a Relevant Party or a Relevant Family member.

2.3 **Shares:** the shares issued by Aeffe.

2.4 **Related Financial Instruments:**

- (a) financial instruments that allow holders to subscribe for, purchase or sell the Shares;
- (b) debt financial instruments that are convertible into the Shares or exchangeable for them;
- (c) derivative financial instruments linked to the Shares, as indicated in art. 1, para. 3, of the TUF;
- (d) other financial instruments, equivalent to the Shares, representing such Shares;
- (e) listed shares issued by subsidiaries of Aeffe and the financial instruments referred to in letters a) to d) above that are linked to them;
- (f) unlisted shares issued by Relevant Subsidiaries, if any, and the financial instruments referred to in letters a) to d) above that are linked to them.

2.5 **Relevant Transactions:** transactions in the Shares or the Related Financial Instruments carried out by Relevant Parties or Closely-Related Persons, either directly or via intermediaries, trusts or subsidiaries, except for transactions totaling less than 5,000 (fivethousand) euro by the end of the year in which the first transaction took place (the **“Relevant Amount”**). The Relevant Amount for Related Financial Instruments is determined with reference to the underlying Shares. The amount of 5,000 euro is determined by summing, without offset, the transactions involving the Shares and the Related Financial Instruments carried out on behalf of each Relevant Party and those carried out on behalf of the Closely-Related Persons. The Relevant Transactions to be communicated include, on the other hand, all transactions carried out after reaching, in the same calendar year, the total amount of 5,000 euro, regardless of the amount concerned (see art. 19, para. 8, EU Regulation);

The document presented as Attachment 1 contains, by mere and incomplete way of example, a list of transactions that, without prejudice to the above, may be considered Relevant Transactions if carried out in the manner indicated above.

2.6 **Responsible Party:** the Contact Officer identified by the Company as responsible for the receipt, management and communication to the market of information about the Relevant Transactions pursuant to art. 152-octies, para. 9, of the Issuers' Regulations. The Company is also entitled to appoint a deputy to the Responsible Party (the **“Deputy Responsible Party”**) in case the latter is temporarily unable to fulfill his/her obligations.

3. COMMUNICATION REQUIREMENTS FOR RELEVANT PARTIES AND CLOSELY-RELATED PERSONS

- 3.1 Without prejudice to the provisions of para. 5 below, the Relevant Parties must inform the Responsible Party about the Relevant Transactions carried out by them, and by the Closely-Related Persons linked with them, within two trading days of the date of such transactions (bearing in mind that here and subsequently, this means the date on which the transaction is completed e.g. by submitting a buy/sell order, even if it is settled later).
- 3.2 Relevant Parties must make the communications required by this article by submitting the form presented as Attachment 4 (and the related Attachment B) to the Procedure for Transmitting Internal Dealing Communications¹ to the Responsible Party in one of the following ways:
- (a) delivery to the offices of Aeffe at via delle Querce 51, San Giovanni in Marignano (Rimini), for the attention of the Contact Officer, in an envelope marked “Communication of Internal Dealing”;
 - (b) transmission by fax to the following number: +39 0541/824722;
 - (c) transmission to the following e-mail address: giulia.degano@aeffe.com; or, for holders of certified e-mail addresses, transmission to the following certified e-mail address: aeffespa@pec.it.

4. COMMUNICATIONS TO CONSOB AND THE GENERAL PUBLIC

- 4.1 The Responsible Party informs CONSOB and the general public on behalf of the Relevant Parties, either directly or via external consultants appointed by Aeffe, and in particular:
- (a) communicates to Consob the information received pursuant to art. 3.1 of the Code within three trading days of the date on which the Relevant Transaction took place;
 - (b) communicates to the general public, on the basis envisaged in art. 66, paras. 2 and 3, of the Issuers' Regulations, the information received pursuant to art. 3.1 of the Code within three trading days of the transaction.
- 4.2 Relevant Parties are in any case required to ensure that the Responsible Party receives the communication referred to in art. 3 of the Code and that the communications to Consob and the general public are made on a timely basis. Relevant Parties and Closely-Related Persons are also entitled to inform Consob directly about each Relevant Transaction carried out on their behalf pursuant to art. 3.1 above within three

¹ Document approved today by the Board of Directors.

trading days of the transaction. In this case, they are not required to comply with the provisions of art. 3.1 above.

- 4.3 Communications are made to Consob via submission by the Responsible Party of the form referred to in art. 3.2 by certified e-mail to consob@pec.consob.it, specifying “*Market Information Office*” as the recipient and indicating at the start of the subject line “*MAR Internal Dealing*”.
- 4.4 Communications are made to the general public via submission by the Responsible Party of the form referred to in art. 3.2 to (i) the press agencies and Borsa Italiana; or (ii) NIS.
- 4.5 These instructions do not affect the requirements for Aeffe to make communications to the general public and to Consob pursuant to art. 87 of the Issuers' Regulations.

5. **BLACK-OUT PERIODS**

- 5.1 Relevant Parties must not carry out Relevant Transactions, on their own account or for third parties, whether directly or indirectly, during the 30 (thirty) calendar days prior to the meeting of the Board of Directors called to approve the draft financial statements, the six-monthly report and the periodic accounting information of Aeffe.
- 5.2 The Board of Directors or, in urgent cases, the Chairman of the Board of Directors has the right to:
 - (i) identify further periods or circumstances in which limits or conditions are placed on the carrying out of Relevant Transactions by Relevant Parties, with immediate notification of this to the Relevant Parties and the Responsible Party, and
 - (ii) allow a Relevant Party to carry out Relevant Transactions during the Black-out period, if that party can show that the transaction cannot be carried out at any other time:
 - a) in the case of exceptional subjective need, appropriately explained by the party concerned, such as serious financial difficulties that require immediate sale of the shares held, to be assessed on a case-by-case basis; or
 - b) in view of the characteristics of the trade, in the case of operations carried out at the same time or with regard to an employee share ownership plan or a savings plan, or a guarantee of or right to shares, or operations in which the beneficial interest in the security concerned does not change;
- 5.3 In the circumstances referred to in art. 5.2 (ii) a), before carrying out any trading during the Black-out period, the Relevant Parties must send the Chairman of the Board of Directors of Aeffe a written request for authorization to sell their shares immediately during the Black-out period, indicating:
 - i) the transactions they intend to carry out;

- ii) the reasons for which such transactions must be carried out during a Black-out period and not at another time;
 - iii) the reasons for which the Relevant Transaction represents the only possible way for the Relevant Party to obtain the financial resources needed.
- 5.4 Following the request made pursuant to art. 5.3 above, the Board of Directors (or, in the urgent cases indicated above, the Chairman of the Board of Directors) will assess, case by case and at its sole discretion, whether or not to grant the authorization requested, having regard for the extreme urgency, unforeseeable nature, impelling reasons and exceptional circumstances surrounding the transaction. In particular, the Board of Directors - or the Chairman (as applicable) - will assess if, and to what extent, the Relevant Party:
 - i) must act at the moment of the request to fulfill a legal obligation;
 - ii) is subject to a legal obligation that arose prior to the start of the Black-out period that can only be fulfilled by the immediate sale of the shares held.
- 5.5 It is understood that, even if authorization is granted, the Relevant Party is still subject to the ban on the abuse of privileged information.
- 5.6 The authorization may be denied by the Board of Directors of Aeffe, or by its Chairman (as applicable), even if the conditions indicated in art. 5.4 above are satisfied, if there is a risk that the transactions carried out during the Black-out period might result in violation of the ban on the abuse of privileged information.
- 5.7 The document presented as Attachment 2 contains, by mere and incomplete way of example, a list of transactions that, in compliance with art. 9 of the Delegated Regulation, are not subject to the restrictions specified in art. 5.1 above.

6. NON-COMPLIANCE WITH THE OBLIGATIONS

- 6.1 The sanctions envisaged by art. 193 of the TUF apply to any non-compliance with the communications requirements envisaged by art. 114, para. 7, of the TUF.
- 6.2 Non-compliance with the obligations established in the Code by Relevant Parties who are directors or statutory auditors of the Company or its subsidiaries may be deemed by the competent bodies to be a breach of trust. The competent bodies may adopt suitable measures in this case, having regard for the specific circumstances.
- 6.3 Non-compliance with the obligations established in the Code by Relevant Parties who are employees of the Company or its subsidiaries may be deemed by the Chairman to be cause for disciplinary proceedings. The Chairman or the competent bodies, based on their individual recommendations, may adopt suitable measures in this case, having regard for the specific circumstances and, in any case, for the applicable employment legislation.
- 6.4 Non-compliance with the obligations established in the Code by Relevant Parties who

are consultants or who collaborate with the Company or its subsidiaries may be deemed by the Chairman of the Company's Board of Directors to be a breach of trust or contract. The Chairman may adopt suitable measures in this case, having regard for the specific circumstances.

- 6.5 In all cases, the Company reserves the right to seek redress for any and all losses and/or liabilities suffered as a consequence of the behavior of Relevant Parties, and/or Closely-Related Persons, in breach of this Code of Conduct.

7. ACCEPTANCE OF THE CODE OF CONDUCT AND THE PROCESSING OF PERSONAL INFORMATION

- 7.1 The Responsible Party arranges to send the communication referred to in Attachment 3 to the Procedure for the Transmission of Internal Dealing Communications to the Relevant Parties identified pursuant to art. 1.1 of the Code, together with a copy of the Code.

- 7.2 In turn, the Relevant Parties send the communication referred to in Attachment 4 to their Closely-Related Persons, together with a copy of the Code.

- 7.3 On receipt of the Code, the Relevant Parties sign a read-and-accept declaration prepared in the format presented in Attachment 3 to the Procedure for the Transmission of Internal Dealing Communications, confirming their commitment to ensure - pursuant to art. 1381 of the Italian Civil Code - that the Closely-Related Persons comply promptly with their obligations to communicate their Relevant Transactions.

- 7.4 The Relevant Parties arrange on a timely basis to send the above declaration to the Responsible Party, using one of the methods indicated in art. 3.2 of the Code, attaching a copy of the notification sent to the Closely-Related Persons referred to in art. 7.2 above.

- 7.5 The Responsible Party prepares and updates the list of Relevant Parties who have received and accepted the Code of Conduct and retains the related read-and-accept declarations.

8. AMENDMENTS AND ADDITIONS

- 8.1 Following the alignment of the Italian primary and secondary regulations with the provisions of the EU Regulation (and subsequent, supplementary delegated and implementing regulations issued by the European Commission) and the transposition of Directive 2014/57/EU of 16 April 2014 on the criminal sanctions for market abuse, the Code of Conduct will be amended and/or supplemented on a timely basis by the Board of Directors of the Company.

- 8.2 The Code of Conduct may be amended and/or supplemented by the Company's Board of Directors following legislative or regulatory changes that affect it or, as a consequence of practical experience in applying the Code, to improve the standards of

transparency guaranteed to the market.

- 8.3 The Responsible Party arranges without delay to inform the Relevant Parties in writing about the amendments and/or additions to the Code of Conduct referred to in this article, and to obtain their acceptance of the new contents of the Code of Conduct in the form and on the basis referred to in art. 7 above.

9. APPLICATION DATE OF THE CODE OF CONDUCT

The Code of Conduct comes into force on 28 July 2016 and applies to Relevant Transactions carried out from that date (inclusive) onwards.

ATTACHMENT 1

EXAMPLE LIST OF RELEVANT TRANSACTIONS

Pursuant to art. 19 of the EU Regulation and art. 10 of the Delegated Regulation, Relevant Transactions include:

- a) the purchase, sale, short sale, subscription for or exchange of Shares or Related Financial Instruments;
- b) the acceptance or exercise of an option right, including an option right granted to Relevant Parties or to employees as part of the remuneration due to them, and the disposal of shares deriving from the exercise of an option right;
- c) the arrangement of swap contracts linked to stock indices or the exercise of such contracts;
- d) transactions in derivative or related instruments, including cash-settled transactions;
- e) the arrangement of a contract for difference relating to Shares or Related Financial Instruments;
- f) the purchase, sale or exercise of rights, including put/call options and warrants;
- g) subscriptions to a capital increase or the issue of debt securities;
- h) transactions in derivative instruments and financial instruments related to an Aeffe debt instrument, including credit default swaps;
- i) conditional transactions subject to the occurrence of conditions and to the actual execution of the transactions;
- j) the automatic or non-automatic conversion of a financial instrument into another financial instrument, including the conversion of convertible bonds into shares;
- k) the gifts and donations made or received and the inheritances received;
- l) the operations carried out by third parties under a mandate to manage personal assets or a portfolio for or on behalf of a Relevant Party or a Closely-Related Person;

- m) the acceptance or grant of loans of shares or debt securities issued by Aeffe or derivative instruments or other related financial instruments;
- n) the giving in guarantee or loan of financial instruments by or on behalf of a Relevant Party or a Closely-Related Person. The communication obligation does not apply if and while that transaction is carried out to obtain a specific credit facility;
- o) transactions carried out by parties that arrange or execute transactions on a professional basis, or by anyone else on behalf of a Relevant Party or a Closely-Related Person, even when carried out on a discretionary basis;
- p) transactions carried out in the context of a life insurance contract arranged pursuant to Directive 2009/138/EC of the European Parliament and of the Council (1), in which:
 - i) the policyholder is a Relevant Party or a Closely-Related Person; ii) the investment risk is borne by the policyholder; and iii) the policyholder has the power or the discretionary right to make investment decisions about the specific instruments contemplated by the insurance policy concerned, or to carry out transactions involving the instruments specific to that insurance policy.

ATTACHMENT 2

TRADING DURING A BLACK-OUT PERIOD

Pursuant to art. 9 of the Delegated Regulation, Aeffe is entitled to authorize a Relevant Party to trade on own account or for third parties during a Black-out period in certain circumstances, including the situations in which:

- (a) the Relevant Party has been granted or assigned financial instruments as part of an employee plan, subject to the following conditions being met:
 - i) the employee plan and its conditions were previously approved by the Issuer in compliance with national legislation, and the conditions of the plan specify the grant or assignment periods and the amount of the financial instruments granted or assigned, or the basis for calculating that amount, on condition that no discretionary powers can be exercised;
 - ii) the Relevant Party has no discretionary powers with regard to acceptance of the financial instruments granted or assigned;
- (b) the Relevant Party was granted or assigned financial instruments in the context of an employee plan implemented during the Black-out period, on condition that a pre-planned and organized method is applied to determine the conditions, frequency and timing of assignments, that the group of authorized persons to whom the financial instruments are granted is indicated, together with the amount of the financial instruments to be assigned, and that the grant or assignment of the financial instruments is made within a defined framework in which the grant or assignment cannot be influenced by any privileged information;
- (c) the Relevant Party exercises options or warrants or rights to convert convertible bonds that were assigned under an employee plan, if the expiry date of those options, warrants or convertible bonds is included in a Black-out period, and sells the shares acquired following the exercise of such options, warrants or conversion rights, subject to all of the following conditions being met:
 - i) the Relevant Party notifies Aeffe of the decision to exercise the options, warrants or conversion rights at least four months prior to the expiry date;
 - ii) the decision of the Relevant Party is irrevocable;
 - iii) the Relevant Party was previously authorized by Aeffe;

- (d) the Relevant Party acquired Aeffe financial instruments as part of an employee savings plan, subject to all of the following conditions being met:
- i) the Relevant Party joined the plan prior to the Black-out period, except in cases in which it was not possible to join at another time, due to the start date of the working relationship;
 - ii) the Relevant Party does not modify the conditions of participation in the plan or revoke that participation during the Black-out period;
 - iii) the purchase transactions are clearly organized on the basis of the plan conditions and the Relevant Party is not entitled or has no legal right to modify them during the Black-out period, or such transactions are scheduled under the plan in such a way that they take place on a predetermined date included in the Black-out period;
- (e) the Relevant Party transfers or receives financial instruments, directly or indirectly, on condition that they are transferred from one account to another account of that person and that the transfer does not involve changes in their price;
- (f) the Relevant Party acquires a guarantee or rights relating to Aeffe shares and the final date for that acquisition is included in the Black-out period, in compliance with the Articles of Association of Aeffe or in accordance with the law, on condition that the Relevant Party explains to Aeffe the reasons for which the acquisition did not take place at another time and that Aeffe accepts the explanation given.