



Compagnia di San Paolo

Organisational, Management and Control

Model

pursuant to

Legislative Decree no. 231 of 8 June 2001

*Document approved by the Management Board in the session of 9 July 2018*

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## Introduction

### Chapter 1 - The Compagnia di San Paolo Group

The Compagnia di San Paolo Group (the “Group”) consists of **Compagnia di San Paolo** (the “Compagnia”), a foundation of banking origin that pursues objectives of social utility in order to promote civil, cultural and economic development through its work in the relevant sectors<sup>1</sup>; its **Operating Bodies** (specialist entities through which the foundation channels its projects in the relevant sectors), and the **Compagnia di San Paolo-Sistema Torino** (“CSP-ST”), a non-profit limited liability consortium company, which mainly carries out accounting, administration and management activities for and on behalf of its members, namely the Compagnia and its Operating Bodies.

#### Compagnia di San Paolo

Since 25 January 1563, when it was founded as a charitable brotherhood, the Compagnia has been an institution serving the community where it is based.

Today, the Compagnia is a private independent non-profit entity, open to dialogue and collaboration with the local, national and European public institutions, that pursues the purposes of public interest and social assistance in order to promote the civil, cultural and economic development of the communities in which it works.

The Compagnia pursues its goals by managing and administering the assets it has accumulated over the centuries, which the Entity is committed to transferring intact to future generations.

While continuing to maintain its priority focus on certain local and national areas: above all Turin and Piedmont, in addition to Genoa and Liguria and Naples and Campania – the Compagnia also intends to become a “European foundation” that collaborates with major international foundations.

The foundation achieves its mission of social utility through its work in the relevant sectors.

Within the relevant sectors, the Compagnia works in two different ways: on one hand by implementing and developing its own projects, and on the other hand by making outright grants to support projects submitted by public entities and private non-profit entities, considered worthwhile following a specific selection process.

For its own projects, the Compagnia identifies and manages, either directly or through active collaboration, projects considered suitable for the achievement of

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<sup>1</sup> Article 3 of the Articles of Association of the Compagnia require significant sectors to be chosen every three years, from sectors permitted by law and this choice will be widely publicised; in any case, the Compagnia makes this choice based on broad-ranging areas, in which its activities are carried out, such as research and education; the arts, cultural activities and heritage; healthcare; social policies.

its goals. To this end, it can also create Operating Bodies or acquire controlling interests in operating enterprises, thereby acting as an operational foundation.

For the funding of projects submitted by third parties, the Compagnia acts as a grant-making foundation.

The Compagnia has therefore adopted a "mixed" model, which combines grant-making with proactive and operational activities, creating a true "non-profit group", in which the Operating Bodies play a key role.

According to its Articles of Association (Article 6), the Compagnia carries out its activities through the following bodies:

- The *Chair*, appointed by the Governing Council, who appoints a Deputy Chair. The Chair and Deputy Chair are not part of the Governing Council and, if they are from this Body, are replaced according to the procedures envisaged by the articles of association. The Chair's term of office is four years, like the Governing Council, and expires when its term of office expires. The Chair is the Compagnia's legal representative and chairs the meetings, sets the agenda, and directs the proceedings of the Governing Council, without the right to vote, and of the Management Board. The Chair can adopt urgent measures, on behalf of the Compagnia, and reports on them to the Management Board;
- *Governing Council*, consisting of people selected from local, national and European institutions. The Council remains in office for four years and sets the objectives and planning guidelines of the Compagnia, verifying the results. It also appoints the members of the Management Board – Management Body, headed by the Chair – and the Board of Auditors;
- The *Management Board*, appointed by the Governing Council, of which the Chair and Deputy Chair are members. The term of the Management Board is the same as the Governing Council and expires when its term expires. The Management Board has all the powers of ordinary and extraordinary management of the Compagnia. Accordingly, it is the Management Board that takes the decisions in relation to the actions in the relevant sectors;
- *Board of Auditors*, control body of the Compagnia appointed by the Governing Council. The term of the Auditors is the same as the Governing Council and expires when its term expires. In accordance with the provisions of the Articles of Association of the Compagnia, the Board of Auditors performs the functions specified in the provisions of Article 2403.1 of the Italian Civil Code. The provisions of Articles 2403 bis to 2407 of the Italian Civil Code also apply, in so far as compatible, as the Governing Council and the Management Board are considered as replacing the shareholders' meeting and board of directors respectively;

Those duties, established by the Italian Civil Code, are therefore considered to be an integral part of the Organisational, Management and Control Model, even if not expressly referred to in the individual *Protocols*;

- *Secretary General*, appointed by the Management Board, is the head of Compagnia's operational structure and oversees the execution of the resolutions of the Bodies.

The offices of members of the Governing Council, the Management Board, the Board of Auditors and the Secretary General are incompatible with each other.

The Governing Council, in order to exercise its governance role, may establish commissions relative to specific areas and matters which advise the Council and Management Board; the scope of activities, operation and composition of the commissions are governed by specific internal regulations.

At present, the Governing Council has established four permanent commissions (hereinafter "the Commissions") for the following areas:

- research and healthcare, activities of the Operating Bodies Istituto Mario Boella, SiTI, Italian Institute for Genomic Medicine and Fondazione Collegio Carlo Alberto (Commission for Research, Education and Healthcare)
- the arts, cultural activities and heritage, activities of the Operating Body Fondazione 1563 per l'Arte e la Cultura (Commission for Art, Cultural Activities and Heritage)
- social policies, philanthropy and the local area, activities of the Operating Bodies Ufficio Pio and Fondazione per la Scuola (Commission for Social Policies)
- finance (Assets Commission)

As regards issues concerning the management of financial assets, the Governing Council is assisted by the Assets Commission which, besides contributing to consultation documents, is involved in defining/revising the Deed of regulation concerning the procedures and criteria for managing the Organisation's assets, approved by the Governing Council on proposal of the Management Board, monitoring application and requesting relevant information to that end from relevant Bodies, where necessary. The Management Board is aided by the Investment Committee, a body that performs an exclusively advisory and investigative role, established to strengthen the Management Board's focus on issues relating to the allocation of assets, in order to create the conditions for the Management Board to be able to take decisions in a suitably informed and effective manner.

The organisational structure of the Compagnia is made up of line units that perform their tasks within the institutional activities and staff units that provide support to the institutional activities and the management of the Entity's financial assets.

As part of institutional activities, temporary work teams (Special Programmes/Projects) may also be set up, alongside "stable" structures (such as Institutional Areas and Specialist Units) in order to manage, over an established time frame, an overall strategy targeting multi/inter sector areas.

### Operating Bodies

The Compagnia also carries out its activities through its own structures, called Operating Bodies, which are specialist entities through which actions in the relevant sectors are channelled. The role and position of Operating Bodies, in terms of the strategic objectives of the Compagnia, are based on the concept that the best way to achieve the Compagnia's mission can be guaranteed through a "group" configuration, where the core, the Compagnia, is integrated by specialist units, that can combine more consolidated operating capacities with the grant-making profile of the "parent". The majority of these institutions have now also become a centre of attraction for initiatives proposed from outside, and have been able to gather or activate additional resources.

Each year, the Compagnia supports the routine activities of its Operating Bodies (with additional funding for specific projects), based on the planning of the Operating Bodies.

Relations between the Compagnia and its Operating Bodies are governed by specific internal regulations, issued by relevant structures of the Compagnia and sent to the Operating Bodies.

The Operating Bodies of the Compagnia are:

- *Ufficio Pio*, which supports the more vulnerable in the community, with assistance for people and families in difficulty, operating in the Municipality of Turin and neighbouring municipalities. Thanks to the joint work of its delegates and operators, Ufficio Pio operates through the granting of financial subsidies and as a testing ground for measures aimed at overcoming welfare dependency, by developing actions and programmes aimed at social integration and recovery of personal independence;
- *Fondazione 1563 per l'Arte e la Cultura*, which supports and promotes art, culture, archives and libraries, and the development of research and training in humanities. In particular, the foundation is responsible for managing and developing the Compagnia's Historical Archive and promoting studies and research on the Baroque period and culture;
- *Fondazione per la Scuola*, which develops projects in partnership with schools, the Ministry for Public Education and its local units, as well as with local authorities, and educational associations and organisations. It works to promote better quality education, to help schools make the most of the opportunities offered by scholastic independence, facilitate the sharing and spreading of best practice, and contribute to the training of teachers;
- *Istituto Superiore Mario Boella*, a centre for applied research and innovation focused on Information and Communication Technologies (ICT). Founded by the Compagnia and by the Politecnico of Turin, the Institute uses the technological and process expertise of its researchers, working in close cooperation with the worlds of business, academia and government;
- *Istituto Superiore sui Sistemi Territoriali per l'Innovazione (SITI)*, founded by the Compagnia and by the Politecnico of Turin, which operates in the area of

research and training for sustainability of innovation and socio-economic growth, by offering solutions to complex problems in the areas of infrastructure development, local area transformation processes, and the enhancement and protection of cultural and environmental assets;

- *Fondazione Collegio Carlo Alberto*, founded by the Compagnia and by the University of Turin, which is now the centre of a comprehensive system of advanced education (masters and doctorates) and research in the economic and political-institutional field, with several research networks. Its activities are based on the use of research fellows/affiliates and assistant professors selected from the international job market;
- *Italian Institute for Genomic Medicine – IIGM (formerly HuGeF)*, founded by the Compagnia and by the University and Polytechnic of Turin, which is involved in outstanding research work and advanced training in the field of genetics, genomic medicine and study of human proteomes, including life sciences and in particular translational and precision medicine as well as biomedics, working in all related scientific, technical and technological areas, with a particular focus on bioethics.

Pursuant to internal regulations, the recognition and withdrawal of status as an operating body are decided by the Governing Council of the Compagnia on proposal of the Management Board of the Compagnia, with particular reference to its mission and objectives, after consulting with the body concerned and, in the case of partnerships, with members or other founding members.

#### *Compagnia di San Paolo-Sistema Torino*

In 2012 the Compagnia and its Operating Bodies established a limited liability consortium company, called “Compagnia di San Paolo – Sistema Torino società consortile a responsabilità limitata”.

The company is not-for-profit and performs the following activities, primarily to and on behalf of its members:

- administration, corporate management and accounting, including data processing and treasury activities;
- management control;
- legal advice, legal advice for out-of-court matters not related to legal proceedings in courts;
- real estate management, including ordinary and extraordinary maintenance and renovation, and provision of general related services;
- management of purchases of goods and services and their suppliers;
- management of personnel;
- provision of information technology services;
- provision of training services;

- fund raising and assistance for requests for contributions and funding for national and European projects.

## **Chapter 2 - Structure of the Organisational, Management and Control Model**

This document, together with its Attachments, constitutes the Organisational, Management and Control Model of the Compagnia and its Operating Bodies (the "Model"), adopted by the Management Board of the Compagnia in accordance with Legislative Decree no. 231 of 8 June 2001. The content of this Model therefore applies to the Compagnia and its Operating Bodies, as well as CSP-ST solely for the activities carried out for the Compagnia and its Operating Bodies.

It should also be noted that this Organisational, Management and Control Model does not apply to CSP-ST for all the services not provided to the Compagnia and the Operating Bodies, in light of the following considerations:

- specific features of CSP-ST, linked to the operations carried out and its legal form, that exposes it to types of risk of offence under Legislative Decree 231/2001 that are different in part and do not completely overlap with the types identified for the Compagnia and its Operating Bodies;
- operations outside the Group. CSP-ST can offer its services to non-profit Entities from outside the Group; over time, therefore, it may significantly increase its exposure to risks of offence under Legislative Decree 231/2001 not directly linked to the operations of the Group.

To better reflect its specific features, for the conduct of services not provided to the Compagnia and its Operating Bodies, CSP-ST has produced and adopted its own Organisational, Management and Control Model, which is coordinated and integrated with this Model in order to maintain a single vision and approach to all the issues that are transversal and common to the various Bodies.

The Operating Bodies (both current, listed in the previous section and additional bodies that may be recognised in future), in adopting this Model, observe its principles and contents, unless specific situations relative to the nature, size, type of activity, organisational structure and system of internal powers require or suggest the use of different measures in order to achieve the Model's objectives in a more rational and effective way, while safeguarding the Model's fundamental principles. The Operating Bodies that, due to different operational requirements, intend to make changes to the Model and its Attachments, must consult with the Surveillance Body beforehand.

The Model consists of two sections and a series of Attachments: a general section (Section 1) describing the content of Legislative Decree 231/2001 and a specific section (Section 2) detailing the content of the Organisational, Management and Control Model of the Compagnia and its Operating Bodies. The Attachments comprise the Principles of Conduct and Protocols, which govern conduct for the purposes of preventing the offences envisaged by Legislative Decree 231/2001.

The persons assigned to manage the activities that have been identified as at-risk pursuant to Legislative Decree 231/2001, and as such are governed by specific



Protocols, are responsible for ensuring that the internal regulations are continuously updated, and that they adhere and conform to the salient features of the above-mentioned Protocols.

Although not attachments, the organisation chart, system of powers and mandates and internal regulations and procedures adopted by the Compagnia and its Operating Bodies are a part of the Model.

## Section 1 – The regulatory framework

### Chapter 3 - Administrative liability of legal persons, companies and associations, and related penalties

Legislative Decree 231/2001, containing the “Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality”, was issued in partial implementation of Enabling Law no. 300 of 29 September 2000, as part of the adaptation of domestic regulations to several international and European Union conventions<sup>2</sup>. It introduced within Italian legislation the notion of direct liability of an Entity for the commission of Crimes and Administrative Offences by persons functionally linked to the Entity, when those unlawful actions lead to an advantage or a benefit for the Entity.

It is a liability that, despite having been defined as “administrative” by the legislature, and even though it involves penalties of that nature, has the typical features of criminal liability, given that it primarily results in the commission of criminal offences<sup>3</sup> and is determined through criminal proceedings<sup>4</sup>.

The Entities may be considered liable whenever one of the Crimes or the Administrative Offences is committed in their interest or to their advantage: there is an “**interest**” when the illegal conduct is carried out with the exclusive intent of generating a benefit for the Entity, regardless of whether that objective has been achieved; the “**advantage**”, on the other hand, arises when the perpetrator of the offence, despite not having acted to favour the Entity, has nevertheless generated a benefit of any kind for that Entity's, either financial or otherwise. In contrast, an “**exclusive benefit**” for the perpetrator of the offence excludes the liability of the Entity.

The administrative liability of the Entity also extends to the cases where one of the Crimes remains in the **attempted** form.

Another condition for the regulations to apply is that the Crime or Administrative Offence is **committed by key persons**, namely:

- individuals holding a representative, administrative or management role in the Entity or in one of its organisational units with financial and functional autonomy, and persons who, de facto or otherwise, manage and control the entity (Top-Level Persons);
- persons subject to the management or supervision of one of the Top-Level Persons (referred to as Subordinates or Assistants).

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<sup>2</sup> The Enabling Law ratifies and implements various international conventions, drawn up based on the European Union Treaty, including:

- the Convention on the protection of the financial interests of the European Communities (Brussels, 26 July 1995);
- the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union (Brussels, 26 May 1997);
- the OECD Convention on combating bribery of foreign public officials in international business transactions (Paris, 17 December 1997).

<sup>3</sup> In addition to administrative offences, under Law no. 62 of 18 April 2005.

<sup>4</sup> Except for the administrative offences of market abuse, determined by Consob.

From the structure of Legislative Decree 231/2001 it can be seen that the administrative liability of the Entity does not exclude, but is instead summed together with the liability of the individual who committed the unlawful conduct.

The penalty system for the Entity establishes particularly severe measures such as **fin**es and **prohibitory penalties**, as well as **confiscation**, **publication** of the **conviction judgement**, and **placement in receivership**. The prohibitory measures, which can lead to even more severe consequences than the financial penalties for the Entity, consist of the prohibition from the exercise of the Entity's activities, the suspension and revocation of permits, licenses or concessions, the prohibition from contracting with the public administration (except for obtaining the performance of a public service), the exclusion from benefits, loans, grants or subsidies and possible revocation of those granted, and the prohibition on advertising goods or services. In any case, prohibitory sanctions do not apply (or are revoked, if already adopted as a precautionary measure), if the Entity, before the start of first-level proceedings have been declared, adopts a conduct defined as "voluntary correction" (compensation for or repair of the damage, elimination of the harmful or hazardous consequences of the Offence, giving the proceeds of the Offence to the Judicial Authorities, for confiscation, elimination of the organisational deficiencies that led to the Offence, adopting organisational models that are suitable for preventing the commission of new Offences). Whenever this "active repentance" conduct is identified, the prohibitory penalties will be replaced by fines.

The administrative liability also applies for offences committed abroad, provided they are not regulated by the country where the offence has been committed and the Entity has its principal place of business in Italy.

#### **Chapter 4 - Crimes and offences that result in administrative liability**

The catalogue of Crimes originally established by Legislative Decree 231/2001 has been progressively expanded: crimes against the public administration and its assets (Articles 24 and 25) have been accompanied by computer crimes and unlawful processing of data (Article 24-*bis*); organised crime (Article 24-*ter*); crimes involving the counterfeiting of money, public credit instruments, duty stamps, and distinctive signs or instruments (Article 25-*bis*); offences against industry and trade (Article 25-*bis* 1); corporate crimes (Article 25-*ter*); offences committed for the purposes of terrorism or of subverting the democratic order envisaged by the criminal code and special laws (Article 25-*quater*); crimes related female genital mutilation (Article 25-*quater* 1); crimes relating to offences against the person (Article 25-*quinquies*); crimes of market abuse (Article 25-*sexies*) and related administrative offences (Article 187-*quinquies* Consolidated Law on Finance); cross-border crimes covered by the Law 146/2006 (Articles 3 and 10); offences of manslaughter or serious or grievous bodily harm through negligence committed in violation of the rules on health and safety at work (Article 25-*septies*); crimes of receiving, laundering and using money, goods or assets of unlawful origin, and self-laundering (Article 25-*octies*); offences relating to breach of copyright (Article 25-*novies*); offences of inducement not to make statements or to make false statements to the judicial authorities - (Article 25-

*decies*) environmental crimes (Article 25-*undecies*); the offence of employing illegally staying third-country nationals (Article 25-*duodecies*), as well as the offences of racism and xenophobia (Article 25-*terdecies*).

The Crimes and Administrative Offences that are currently relevant under Legislative Decree 231/2001 are listed below:

- **Crimes committed in relations with the Public Administration** - (Article 24 of the Decree)
  - Misappropriation of funds from the State or other public body (Article 316-bis Criminal Code);
  - Misappropriation of contributions, loans or other payments from the State or other public body or the European Communities (Article 316-ter Criminal Code);
  - Fraud against the State or other public body or the European Communities (Article 640, comma 2, no. 1, Criminal Code);
  - Aggravated fraud to obtain public funds (Article 640-bis Criminal Code);
  - Computer fraud against the State or other public body (Article 640-ter Criminal Code).
- **Computer crimes and unlawful processing of data** - (Article 24-bis of the Decree)
  - electronic documents (Article 491-bis Criminal Code);
  - unauthorised access to a computer or telecommunications system (Article 615-ter Criminal Code);
  - unauthorised possession and disclosure of access codes to computer or telecommunications systems (Article 615-quater Criminal Code);
  - distribution of equipment, devices or computer programmes intended to damage or interrupt a computer or telecommunications system (Article 615-quinquies Criminal Code);
  - unlawful interception, impediment or interruption of computer communications or telecommunications (Article 617-quater Criminal Code);
  - installation of equipment designed to intercept, impede or interrupt telecommunications or computer communications (Article 617-quinquies Criminal Code);
  - damage to computer information, data or computer programmes (Article 635-bis Criminal Code);
  - damage to information, data and computer programmes used by the State or other public body or of public utility (Article 635-ter Criminal Code);
  - damage to computer or telecommunications systems (Article 635-quater Criminal Code);

- damage to computer or telecommunications systems of public utility (Article 635-quinquies Criminal Code);
- computer fraud by the provider of electronic signature certification services (Article 640-quinquies Criminal Code).
- **Organised crime-** (Article 24-ter of the Decree)
  - Criminal association (Article 416 Criminal Code, first five paragraphs);
  - Criminal association to commit the crimes of reduction to slavery or servitude, trafficking in persons, purchase and sale of slaves, and crimes relating to breaches of the provisions on illegal immigration in Article 12 of Legislative Decree 286/1998 (Article 416, paragraph 6 Criminal Code);
  - Mafia-type association, including foreign mafia-type association (Article 416-bis Criminal Code);
  - Crimes committed under the conditions of Article 416 - *bis* of the Criminal Code for mafia-type organisations or in order to facilitate the activities of those associations;
  - Mafia-related political election exchange (Article 416-ter Criminal Code);
  - Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74, Presidential Decree no. 309 of 9 October 1990);
  - The kidnapping of persons for a ransom (Article 630 Criminal Code);
  - Illegal manufacture, introduction into the State, offering for sale, sale, possession and carrying in public places or places open to the public, of weapons of war or warlike weapons or parts thereof, explosives, clandestine weapons and other common firearms (Article 407, paragraph 2, letter a), no. 5), Criminal Procedure Code).
- **Crimes committed in relations with the Public Administration** - (Article 25 of the Decree)<sup>5</sup>.
  - Extortion (Article 317 Criminal Code);
  - Undue inducement to give or promise benefits (Article 319-quater Criminal Code);
  - Bribery for the performance of an official act (Article 318 Criminal Code);
  - Bribery to obtain an act contrary to official duties (Article 319 Criminal Code);
  - Aggravating circumstances (Article 319-bis Criminal Code);
  - Bribery in judicial proceedings (Article 319-ter, paragraph 1, Criminal Code);
  - Bribery of a public service officer (Article 320 Italian Penal Code)

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<sup>5</sup> The entire category of offences as of Article 25 of Legislative Decree 231/2001 in the Model Protocols are referred to, more generally, as "Offences of bribery"

- Penalties for the briber (Article 321 Criminal Code);
- Incitement to bribery (Article 322 Criminal Code);
- Embezzlement, extortion, undue inducement to give or promise benefits, bribery or incitement to bribery of members of the International Criminal Court or European Community bodies and officers of the European Community and foreign states (Article 322 Criminal Code)
- **Crimes involving the counterfeiting of money, public credit instruments, duty stamps and distinctive signs or instruments** - (Article 25 bis of the Decree)
  - Counterfeiting of money, spending and introduction into the State, with complicity, of counterfeit money (Article 453 Criminal Code);
  - Alteration of money (Article 454 Criminal Code);
  - Spending and introduction into the State, without complicity, of counterfeit money (Article 455 Criminal Code);
  - Spending of counterfeit money received in good faith (Article 457 Criminal Code);
  - Counterfeiting of duty stamps, introduction into the State, purchase, possession or circulation of counterfeit duty stamps (Article 459 Criminal Code);
  - Counterfeiting of watermarked paper used for the manufacture of public credit instruments or duty stamps (Article 460 Criminal Code);
  - Manufacture or possession of watermarks or instruments for counterfeiting money, duty stamps or watermarked paper (Article 461 Criminal Code);
  - Use of counterfeit or altered duty stamps (Article 464 Criminal Code);
  - Counterfeiting, alteration or use of marks, trade marks or distinguishing signs or patents, models and designs (Article 473 Criminal Code);
  - Introduction into the State and sale of products with false markings (Article 474 Criminal Code).
- **Offences against industry and trade**- (Article 25-bis 1 of the Decree)
  - Disruption to the freedom of industry or trade (Article 513 Criminal Code);
  - Unfair competition with threats or violence (Article 513-bis Criminal Code);
  - Fraud against national industries (Article 514 Criminal Code);
  - Fraudulent trading (Article 515 Criminal Code);
  - Sale of non-genuine food items as genuine (Article 516 Criminal Code);
  - Sale of industrial products with false marks (Article 517 Criminal Code);

- Manufacture and sale of goods produced through misappropriation of industrial property rights (Article 517-ter Criminal Code);
- Infringement of geographical indications or appellations of origin of food products (Article 517-quater Criminal Code).
- **Corporate crimes-** (Article 25-ter of the Decree)
  - False corporate disclosures (Article 2621 Civil Code);
  - Minor offences (Article 2621 bis Civil Code.)
  - False corporate disclosures by listed companies (Article 2622 Civil Code);
  - Impediment of control activities (Article 2625, paragraph 2, Civil Code);
  - Unlawful return of capital contributions (Article 2626 Civil Code);
  - Illegal allocation of profits and reserves (Article 2627 Civil Code);
  - Unlawful transactions on shares or equity interests of the parent company (Article 2628 Civil Code);
  - Transactions prejudicial to creditors (Article 2629 Civil Code);
  - Failure to notify conflicts of interest (Article 2629-bis Civil Code);
  - Fictitious formation of company capital (Article 2632 Civil Code);
  - Unlawful allocation of company assets by liquidators (Article 2633 Civil Code);
  - Bribery between private individuals (Article 2635, paragraph 3, Civil Code);
  - Instigation to bribery between private individuals (Article 2635, paragraph 1, Civil Code);
  - Undue influence at the Shareholders' Meeting (Article 2636 Civil Code);
  - Stock manipulation (Article 2637 Civil Code);
  - Hindering the work of public supervisory authorities (Article 2638, paragraph 1 and 2, Civil Code).
- **Crimes committed for the purposes of terrorism or subverting the democratic order envisaged by the criminal code and special laws** (Article 25-quater of the Decree);
  - Subversive associations (Article 270 Criminal Code);
  - Associations for the purposes of terrorism, including international terrorism, or subversion of the democratic order (Article 270 bis Criminal Code);
  - Assistance for associates (Article 270 ter Criminal Code);
  - Recruitment for the purposes of terrorism, including international terrorism (Article 270 quater Criminal Code);

- Training for the purposes of terrorism, including international terrorism (Article 270 quinquies Criminal Code);
- Financing of conduct for the purposes of terrorism (Law no. 153/2016, Article 270 quinquies 1 Criminal Code);
- Removal of assets or money subject to seizure (Article 270 quinquies.2 Criminal Code);
- Conduct for the purposes of terrorism (Article 270 sexies Criminal Code);
- Attacks for the purpose of terrorism or subversion (Article 280 Criminal Code);
- Acts of terrorism with lethal or explosive devices (Article 280 bis Criminal Code);
- Acts of nuclear terrorism (Article 280 ter Criminal Code);
- Kidnapping of persons for the purposes of terrorism or for a ransom (Article 289 bis Criminal Code);
- Incitement to commit any of the offences contemplated in parts one and two (Article 302 Criminal Code);
- Political conspiracy through agreement (Article 304 Criminal Code);
- Political conspiracy through association (Article 305 Criminal Code);
- Armed group: training and participation (Article 306 Criminal Code);
- Assistance with persons involved in conspiracy or armed groups (Article 307 Criminal Code);
- Taking possession, hijacking or destruction of an aircraft (Law no. 342/1976, article 1);
- Damage to ground installations (Law no. 342/1976, article 2);
- Sanctions (Law no. 422/1989, article 3);
- Active repentance (Legislative Decree no. 625/1979, Article 5);
- International terrorism (Convention of New York of 9 December 1999 - Article 2).
- **Female genital mutilation** (Article 25-quater 1 of the Decree);
  - Female genital mutilation (Article 583 - bis Criminal Code).
- **Offences against the person** - (Article 25-quinquies of the Decree)
  - Reduction to or retention in slavery or servitude (Article 600 Criminal Code);
  - Child prostitution (Article 600-bis Criminal Code);
  - Child pornography (Article 600-ter Criminal Code);
  - Possession of pornographic material (Article 600-quater Criminal Code);



- Virtual pornography (Article 600 – quater 1 Criminal Code);
- Tourism aimed at the exploitation of child prostitution (Article 600-quinquies Criminal Code);
- Trafficking in persons (Article 601 Criminal Code);
- Purchase and sale of slaves (Article 602 Criminal Code);
- Unlawful intermediation and exploitation of labour (Article 603-bis Criminal Code);
- Grooming of minors (Article 609 undecies Criminal Code).
- **Market abuse (Crimes)** - (Article 25-sexies of the Decree)
  - Insider trading (Article 184 Legislative Decree 58/1998 - Consolidated Law on Financial Intermediaries);
  - Market manipulation (Article 185 Legislative Decree 58/1998 - TUF).

Article 187-*quinquies* of the Consolidated Law on Finance, as amended by Law 62 of 2005, imposes the administrative liability of entities for administrative offences relating to market abuse. Notably:

- **Market abuse (Administrative Offences)** - (Article 187-quinquies Consolidated Law on Finance)
  - Insider trading (Article 187-bis Consolidated Law on Finance);
  - Market manipulation (Article 187-ter Consolidated Law on Finance).
- **Manslaughter or grievous bodily harm through negligence, committed in violation of the rules on health and safety at work-** (Article 25-septies of the Decree)
  - Manslaughter (Article 589 Criminal Code);
  - Bodily harm through negligence (Article 590, paragraph 3, Criminal Code).
- **Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering** - (Article 25-octies of the Decree)
  - Receiving stolen goods (Article 648 Criminal Code);
  - Money laundering (Article 648-bis Criminal Code);
  - Using money, assets or benefits of unlawful origin (Article 648-ter Criminal Code);
  - Self-laundering (Article 648-ter.1 Criminal Code).
- **Offences relating to breach of copyright** - (Article 25-novies of the Decree)
  - Inclusion on electronic network systems, available to the public, through connections of any kind, of a protected intellectual work or part thereof (Article 171, Law 633/1941 paragraph 1 letter a) bis);

- Crimes referred to in the paragraph above committed on the work of others not intended for advertising, or with misappropriation of authorship, or with distortion, mutilation or other modification of the work, if offensive to honour or reputation (Art. 171, Law 633/1941, paragraph 3);
- Unauthorised duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or business purposes or leasing of programs on media not marked by the SIAE (Italian Society of Authors and Publishers); production of means for removing or circumventing the protection devices of computer programs (Article 171-bis Law 633/1941 paragraph 1);
- Reproduction on media not marked by the SIAE, transfer to another medium, distribution, communication, display or demonstration to the public, of the contents of a database in order to gain profit; extraction or reuse of the database in violation of the rights of the maker and the user of a database; distribution, sale or leasing of databases (Article 171-bis Law 633/1941 paragraph 2);
- Crimes committed for profit, for non-personal use, and characterised by one of the following forms of conduct (Article 171-ter, Law 633/1941, paragraph 1):
  - unauthorised duplication, reproduction, transmission or diffusion in public with whatever means, in whole or in part, of intellectual property intended for television, cinema, sale or rental of disks, tapes or similar media or any other media containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of moving images (lett. a);
  - unauthorised reproduction, transmission or diffusion in public with whatever means, of literary, dramatic, scientific or educational, musical or dramatic-musical, multimedia works, or parts thereof, even if included in collective or composite works or databases (lett. b);
  - introduction in the State, possession for sale or distribution, trade, rental, or transfer of any kind, public projection, broadcast via television by whatever method, and broadcast via radio, of the illegal duplications or reproductions referred to in letters a) and b) without having contributed to their duplication or reproduction (lett. c);
  - possession for sale or distribution, trade, sale, rental, transfer of any kind, public projection, broadcast via radio or television by any method, of videotapes, cassettes, any medium containing phonograms or videograms of musical, cinematographic or audiovisual works or sequences of moving images or other media that required the affixing of the SIAE mark, which lack that mark or have a counterfeit or falsified mark (lett. d);

- retransmission or distribution by any means of an encrypted service received by means of equipment or parts of equipment for decoding broadcasts with conditional access, in the absence of agreement with the legitimate distributor (lett. e);
- introduction in the State, possession for sale or distribution, sale, rental, or transfer of any kind, commercial promotion, or installation, of devices or special decoding elements that permit access to an encrypted service without payment of the fee due (lett. f);
- manufacture, import, distribution, sale, rental, transfer of any kind, advertising for sale or rental, or possession for commercial purposes, of devices, products or components, or the provision of services, whose commercial use or prevalent purpose is to circumvent effective technological protection measures or that are designed, produced, adapted or developed to enable or facilitate the circumvention of such measures (lett. *f-bis*);
- unauthorised removal or alteration of the electronic rights-management information referred to in Article 102-*quinquies*, or distribution, import for distribution, broadcast by radio or television, communication or making available to the public, of works or other protected materials from which such electronic information has been removed or altered (lett. h).
- Crimes characterised by one of the following forms of conduct (Article 171-ter, Law 633/1941, paragraph 2):
  - reproduction, duplication, transmission or unauthorised broadcasting, sale or trade, transfer of any kind or illegal import of more than 50 copies or pieces of works protected by copyright and related rights (lett. a);
  - input for profit of a work or part of work protected by copyright within a system of computer networks through connections of any kind, in violation of the exclusive right of communication to the public due to the author (lett. *a-bis*);
  - engagement in the forms of conduct contemplated by Article 171-ter, paragraph 1, Law 633/1941, by those exercising the activities, for business purposes, of reproduction, distribution, sale or marketing, or import of works protected by copyright and associated rights (lett. b);
  - promotion or organisation of the illegal activities identified in Article 171-ter, paragraph 1, Law 633/1941 (lett. c).
- Failure to notify the SIAE of identification data of media that does not require marking, by producers or importers of such media, or misrepresentation regarding the fulfilment of the obligations regarding the mark (Article 171-*septies*, Law 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, utilisation for public and private use, of equipment or parts of equipment

for decoding audiovisual broadcasts with conditional access via air, satellite, cable, in both analogue and digital form (Article 171-*octies*, Law 633/1941).

- **Inducement not to make statements or to make false statements to the judicial authorities** - (Article 25-*decies* of the Decree)
  - Inducement not to make statements or to make false statements to the judicial authorities (Article 377 – *bis* Criminal Code).
- **Environmental offences**- (Article 25- *undecies* of the Decree)
  - Crimes envisaged by the Criminal Code:
    - Environmental pollution (Article 452-*bis* Criminal Code);
    - Environmental disaster (Article 452-*quater* Criminal Code);
    - Offences against the environment (Article 452- *quinquies* Criminal Code);
    - Traffic and abandonment of highly radioactive material (Article 452-*sexies* Criminal Code);
    - Aggravating circumstances (Article 452 – *octies* Criminal Code);
    - Organised activities for the illegal trafficking of waste (Article 452 – *quaterdecies* Criminal Code);
    - Killing, destruction, catching, taking, possession of specimens of protected wild fauna and flora species (Article 727-*bis* Criminal Code);
    - Destruction or adverse modification of habitats within a protected site (Article 733-*bis* Criminal Code).
  - Crimes established by the Environmental Code set forth in Legislative Decree no. 152 of 3 April 2006:
    - Water pollution (Article 137)
      - unauthorised discharge (absent, suspended or revoked authorisation) of industrial waste water containing hazardous substances (paragraph 2);
      - discharge of industrial waste water containing hazardous substances in violation of the requirements imposed by the authorisation or by competent authorities (paragraph 3);
      - discharge of industrial waste water containing hazardous substances in violation of table limits or more restrictive limits established by Regional Authorities or Autonomous Provincial Authorities or by the competent authority (paragraph 5, first and second sentence);
      - violation of the prohibitions on discharge on the ground, in groundwater and underground (paragraph 11);

- discharge at sea by ships or aircraft of substances or materials whose spillage is prohibited, except in minimal quantities authorised by competent authorities (paragraph 13).
- Unauthorised waste management (Article 256)
  - collection, transportation, recovery, disposal, trade and brokerage of non-hazardous and hazardous waste, without the required authorisation, registration or notification (Article 256, paragraph 1, lett. a) and b);
  - construction or operation of an unauthorised landfill (Article 256, paragraph 3, first sentence);
  - construction or operation of an unauthorised landfill designated, in part or otherwise, for the disposal of hazardous waste (Article 256, paragraph 3, second sentence);
  - non-permitted mixing of waste (Article 256, paragraph 5);
  - temporary storage at the place of production of hazardous medical waste (Article 256, paragraph 6).
- Contaminated sites (Article 257)
  - pollution of the soil, subsoil, surface water and groundwater with concentrations exceeding the risk threshold (unless necessary decontamination measures are taken, in accordance with the project approved by the competent authority) and failure to notify the competent authorities (paragraph 1 and 2). The conduct of pollution referred to in paragraph 2 is aggravated by the use of hazardous substances.
- Forgery and use of false waste analysis certificates (Articles 258 and 260-bis)
  - preparation of a false waste analysis certificate (with regard to information on the nature, composition and physical/chemical characteristics of the waste) and use of a false certificate during transportation (Article 258, paragraph 4, second sentence);
  - preparation of a false waste analysis certificate, used in the SISTRI waste traceability control system; inserting a false certificate in the data to be provided for waste tracking (Article 260-bis, paragraph 6);
  - transport of hazardous waste without a hard copy of the SISTRI - Area handling sheet or the waste analysis certificate, as well as use of an analysis certificate containing false information about the waste transported within the SISTRI system (Article 260-bis, paragraph 6 and 7, second and third sentence);
  - transport of waste with fraudulently altered paper copy of the SISTRI - Area handling sheet (Article 260-bis, paragraph 8, first

and second sentence). The conduct identified in paragraph 8, second sentence, is aggravated if the waste is hazardous.

- Illegal trafficking of waste (Article 259)
  - transport of waste comprising illegal traffic (paragraph 1). The conduct is aggravated if the waste is hazardous.
- Air pollution (Article 279)
  - violation, in the exercise of a business, of the emission limit values or of the requirements laid down by the authorisation, plans and programs or legislation, or by the competent authority, which also results in the exceeding air quality target limits set by current regulations (paragraph 5).
- Crimes under Law no. 150 of 7 February 1992 in the area of international trade in specimens of flora and fauna in danger of extinction and keeping of dangerous animals
  - import, export, transport and illegal use of animal species (in the absence of a valid certificate or license, or contrary to the requirements dictated by those measures); detention, use for profit, purchase, sale and exhibition for sale or for commercial purposes of specimens without the required documentation; unlawful trade in artificially propagated plants (Article 1, paragraph 1 and 2 and Article 2, paragraph 1 and 2). The conduct referred to in Articles 1, paragraph 2, and 2, paragraph 2, is aggravated in the case of repeat offences and offences committed in the exercise of business activities;
  - falsification or alteration of certificates and licenses; notifications, communications or false or altered statements for the purpose of obtaining a certificate or license; use of false or altered certificates and licenses for the importation of animals (Article 3-bis, paragraph 1);
  - possession of live specimens of wild or captive bred mammal and reptile species, which constitute a danger to health and public safety (Article 6, paragraph 4).
- Offences under Law no. 549 of 28 December 1993, concerning the protection of stratospheric ozone and the environment
  - Ozone pollution: violation of the provisions which provide for the termination and reduction of the employment (production, utilisation, marketing, import and export) of substances harmful to the ozone layer (Article 3, paragraph 6).
- Crimes envisaged by Legislative Decree no. 202 of 6 November 2007, on pollution of the marine environment by ships
  - negligent spill of pollutants at sea by ships (Article 9, paragraph 1 and 2);

- intentional spill of pollutants at sea by ships (Article 8, paragraph 1 and 2).

The conduct referred to in Articles 8, paragraph 2 and Article 9, paragraph 2 is aggravated if the violation causes permanent or particularly serious damage to water quality, to animal or vegetable species or to parts thereof.

- **Crime of employment of illegally staying third-country nationals** - (Article 25-duodecies of the Decree)
  - Employment of illegally staying third-country nationals (Article 22 paragraph 12-bis - Legislative Decree 286/1998);
  - Provisions against illegal immigration (Article 12, paragraph 3, 3 bis, 3 ter and paragraph 5, Legislative Decree no. 286/1998).
- **Offences of racism and xenophobia (Article 25 – terdecies of the Decree)**
  - Propaganda and incitement to commit offences for reasons of racial, ethnic and religious discrimination (Article 604-bis Criminal Code).
- **Cross-border crimes** (Law no. 146 of 16 March 2006, Articles 3 and 10)

Article 3 defines a transnational crime as a crime punishable with imprisonment of not less than four years, if it involves an organised criminal group, as well as: a) being committed in one or more States; b) or being committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State; c) or being committed in one State, but in which an organised crime group is implicated that is involved in criminal activities in one or more States; d) or being committed in one State but with substantive effects in another State.

- Criminal association (Article 416 Criminal Code);
- Mafia-type association (Article 416-bis Criminal Code);
- Criminal association for the smuggling of foreign processed tobacco (Article 291-quater of the consolidated text in Presidential Decree no. 43 of 23 January 1973);
- Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74, Presidential Decree no. 309 of 9 October 1990);
- Provisions against illegal immigration (Article 12, paragraph 3, 3 bis, 3-ter and 5, of the consolidated text in Legislative Decree no. 286 of 25 July 1998);
- Inducement not to make statements or to make false statements to the judicial authorities (Article 377 – bis Criminal Code);
- Aiding and abetting (Article 378 Criminal Code).

## **Chapter 5 - Adoption of the Model as a possible exemption from administrative liability**

Legislative Decree 231/2001 provides for a specific form of exemption from administrative liability depending on the Crimes, if the Entity is able to prove that:

- 1) *before the offence was committed, the management body has adopted and effectively implemented an organizational and management Model suitable for preventing offences of the type committed;*
- 2) *the task of monitoring the functioning and compliance of the Model and its updating has been entrusted to a body of the Entity (Surveillance Body), with independent powers of initiative and control;*
- 3) *the people who have committed the crime have fraudulently evaded the organisational and management Model;*
- 4) *supervision by the body referred to in point 2) was not insufficient or lacking.*

The Entity's liability is therefore attributed to "guilt by organization", namely the failure to adopt or failure to comply with required standards concerning the organisation and activity of the Entity.

However, the Entity is not exempted from liability by merely adopting the Model, because the Model must also be shown to be specifically efficient and effective. With regard to the first of these requirements in particular, Legislative Decree 231/2001 – in Article 6, paragraph 2 – prescribes the following preparatory phases for the correct implementation of the Model:

- *identifying the activities within which there is a possibility of the Crimes established by Legislative Decree 231/2001 being committed;*
- *establishing specific protocols for directing the formulation and implementation of the Entity's decisions in relation to the Crimes to be prevented;*
- *identifying suitable financial management methods for preventing the Crimes from being committed;*
- *establishing disclosure obligations to the body responsible for supervising the implementation of and compliance with the Model (Surveillance Body);*
- *putting in place an effective internal disciplinary system to punish non-compliance with the measures required by the Model.*

Lastly, Legislative Decree 231/2001 establishes that the Model may be adopted "on the basis" of codes of conduct drawn up by the representative associations of the Entities.

Accordingly, in preparing this document, the Compagnia has made reference to the Guidelines issued by Confindustria (association of Italian industries) on 7 March 2002 and its update, following the expansion of the catalogue of relevant crimes under the legislation, the study document for foundations on Legislative Decree 231/2001 issued by the ACRI (Italian association of foundations and savings banks), and the document "Il Modello 231/2001 per gli Enti non profit"



(the 231/2001 Model for non-profit Entities) drawn up by the Consiglio Nazionale dei Commercialisti e degli Esperti Contabili (Italian National Board of Accountants and Accounting Experts) in October 2012.

Among other things, these Guidelines suggest:

- the identification of the risk areas, to determine the areas/sectors of the Entity where there is a possibility of the offences under the Decree being committed;
- the setting up of a suitable control system to prevent the risks through the adoption of specific protocols. In particular, the components of the control system must conform to the following principles:
  - verifiability, traceability, coherence and consistency of all operations;
  - application of the principle of separation of functions;
  - documentation of controls;
  - establishment of an adequate system of penalties for violation of the procedures established by the Model;
  - identification of the requirements of the Surveillance Body, namely autonomy and independence, professional expertise and continuity of action. The first of these requirements will be satisfied by selecting its members from those who do not already perform operational tasks in the Entity, since that characteristic would undermine objectivity of judgement when assessing conduct and the Model. The tasks of the Surveillance Body may be assigned either to already existing internal functions or specifically created bodies; moreover, they can consist of a single individual or have a board structure. The members of the control structure may also be selected from people from outside the Entity, provide they have specific expertise with respect to the functions that the Surveillance Body is required to perform;
  - disclosure obligations to the body responsible for supervising the implementation of the Model and compliance.

## Section 2 – The Organisational, Management and Control Model of the Compagnia and its Operating Bodies

### Chapter 6 – The aim of the Model

The Compagnia and the Operating Bodies have decided to adopt a specific Organisational, Management and Control Model, as per the Decree. They believe that this Model will be an effective instrument to lead everyone who works for the Compagnia and the Operating Bodies to operate with integrity and transparency, and that it will provide a more effective way to prevent the criminal offences and administrative offences under the relevant legislation being committed.

In particular, by adopting this Model, the Compagnia and its Operating Bodies intend to pursue the following aims:

- to make all persons operating on behalf of the Compagnia and its Operating Bodies in “Sensitive Activities” (i.e. those activities which, by their nature, are at risk for the offences identified in the Decree) aware of the fact that, should they breach the rules governing such activities, they may incur disciplinary and/or contractual consequences, as well as criminal and administrative penalties;
- to stress that any such unlawful conduct is strongly condemned, since (even if the Compagnia and its Operating Bodies appear to benefit from it) such behaviour is in breach not only of the law, but also of the ethical principles that the Compagnia and its Operating Bodies intend to apply to all their activities;
- enable the Compagnia and its Operating Bodies, thanks to monitoring of at-risk areas, to take swift action to prevent or combat any criminal offences and punish conduct in breach of the Model.

### Chapter 7 - Target Recipients of the Model

The Target Recipients of this Model are the members of Governing Bodies and employees of the Compagnia and its Operating Bodies. The Target Recipients receive specific and differentiated training and information on the content of the Model.

Consultants and collaborators of the Compagnia and its Operating Bodies – as well as the beneficiary entities and CSP-ST as regards their dealings with the Compagnia and its Operating Bodies – must comply with the requirements of Legislative Decree 231/2001 and the ethical principles set out therein by confirming that they have read the Model. These persons are also subject to the rules and control principles contained in the *Protocols* relevant to their specific area of activity.

The Compagnia and its Operating Bodies also require their suppliers and partners to comply with the provisions of Legislative Decree 231/2001, by the adoption of specific contract clauses.

### **Chapter 8 - Updating the Model**

Legislative Decree 231/2001 expressly requires the Model to be updated to ensure that it constantly reflects the specific requirements of the Compagnia and the Operating Bodies and their actual operations. Generally speaking, amendments and/or updates to the Model are made in the event of:

- changes and additions to Legislative Decree 231/2001 and to the criminal offences and administrative offences;
- significant amendments to the organisational structure of the Compagnia and/or the Operating Bodies, new activities and/or new processes that have a significant effect on the Group's organisational structure.

The Model may also be amended in the event of violations and/or in view of the results of checks on its effectiveness.

In particular, the Compagnia's Management Board is responsible for updating the Model and therefore also adding to and/or amending it, except for those amendments for which the Management Board has expressly appointed another body. The Surveillance Body is responsible for the general supervision of updates, which is understood to mean solicitation of the Management Board in this sense and not their direct approval.

In this regard, this Model, adopted by resolution of the Governing Council of 10 February 2010, was updated by the resolutions of 9 May 2011, 15 October 2012, 6 October 2014, 13 November 2015 and 9 July 2018. These updates were designed to adapt the content of the Model to organisational changes within the Group and the most recent legislative changes and case law on administrative liability of Entities.

### **Chapter 9 - Construction of the Model**

During the initial drafting of the Organisational, Management and Control Model, the Compagnia carried out a survey of "Sensitive Activities" to examine their associated risk profiles and to assess the effectiveness of internal control systems on significant unlawful actions. In addition, the Compagnia established and defined the composition of the Surveillance Body, in order to create a structure that would be particularly focused on monitoring and updating the functioning of the Model, which is one of the Body's responsibilities.

In constructing this Model, the Compagnia therefore proceeded according to subsequent, logical steps to:

- map the Sensitive Activities;
- identify risk profiles;
- identify control structures and perform gap analyses;

- identify a Surveillance Body ("SB") responsible for supervising compliance with the Model, including by monitoring actions taken within the Compagnia and the Operating Bodies, and updating the Model;
- identify the resources available to the SB, with a suitable number and value in view of its responsibilities and the expected results that can reasonably be achieved;
- identify the general principles of an adequate internal control system in areas relevant for the purposes of Legislative Decree 231/2001 and in particular:
  - verifiability and traceability of all relevant operations for the purposes of Legislative Decree 231/2001;
  - compliance with the principle of separation of functions;
  - identification of powers of authorisation that are in line with the responsibilities assigned;
  - communication to the SB of relevant information.

During the risk mapping, staff at the Compagnia and its Operating Bodies were made aware of the purpose of the Model and its Attachments. At the mapping stage, the Heads of organisational units at the Compagnia and its Operating Bodies were also informed of the scope of Legislative Decree 231/2001 and the phases involved in drawing up the Model.

The specific Model "construction" phases were structured as described below.

#### 9.1 Document collection and analysis

The first phase involved examining the documentation of the Compagnia and its Operating Bodies (e.g. articles of association, decisions of management boards, procedures, organisational chart, circulars, internal regulations, set of powers and mandates) in order to identify the applicable regulatory and operational environment.

#### 9.2 Mapping of activities, identification of control structures and gap analysis

In light of the information collected, meetings were held with the Heads of organisational units to discuss and examine the information already obtained and proceed to map "at-risk activities" in relation to the main criminal offences under Legislative Decree 231/2001 and administrative offences under the Consolidated Law on Finance (TUF).

Therefore, the areas at risk of commission of the aforesaid criminal offences and administrative offences (meaning the areas of activities whose performance could result *directly* in the commission of one of the aforementioned unlawful actions) and the "instrumental" areas (meaning the areas in which, in principle, the conditions, opportunities and means for the commission of these breaches could be created) have been identified. The results of these activities have been formalised in "Memorandum" documents setting out the areas at-risk of the commission of criminal offences and administrative offences, including

instrumental areas, the controls in place to prevent them, and any gaps identified. These documents are available to the Surveillance Body for the purposes of the activities under its responsibility.

Specifically, for each activity, the reason for the existence of each risk profile has been stated and, therefore, each activity has been grouped into the relevant risk and/or instrumental area in order to assess the adequacy of existing controls. Based on the mapping described above and the existing control mechanisms, an analysis was carried out to assess the adequacy of the existing internal control system, i.e. the ability to prevent or identify breaches sanctioned by Legislative Decree 231/2001.

The areas covered by the Decree were assessed in view of the existing system of preventive measures/controls to identify any misalignments with best practices and to find solutions to remedy them.

At this stage, particular attention was dedicated to identifying and governing processes for the management and control of financial resources in activities deemed to be at-risk of significant breaches under Legislative Decree 231/2001, and to strengthen the preventive measures for areas where risks could arise.

### 9.3 Assessment of the system of powers, mandates and representation powers

The system of powers at the Compagnia and the Operating Bodies is based on the fundamental criteria of formal identification and clarity, communication and separation of roles, allocation of responsibility, representation, identification of hierarchies and operational activities.

The existing organisational tools (e.g. organisational charts, organisational communications, procedures) are based on the following general principles:

- their knowledge within the organisational structure;
- clear description of reporting lines.

The system of mandates and powers was also assessed with reference to the activities of the Compagnia and its Operating Bodies, checking for any requirements for adaptations. In principle, the system of mandates and powers must be appropriate to prevent criminal offences and ensure effective and efficient management of the activities of the Compagnia and its Operating Bodies. Accordingly, the system must be structured around the following rules:

- duties and responsibilities must be clearly and appropriately allocated;
- ongoing checks are performed on the exercise of delegated powers;
- the matrix and the limits of any "cascading" mandates must be documented;
- the mandated person must have appropriate spending powers in view of the functions assigned to them.

Any internal procedures must, for each process, provide a clear definition of the roles of the actors involved and ensure the separation of functions between the

various actors, in view of rules on who initiates and who concludes the actions, and who monitors the process.

Mandates must also ensure compliance with rules on the coherence of the position held by the mandated person at the Compagnia or the Operational Body, avoiding potential misalignments between their work and the powers delegated to them; they must define the powers of the mandated persons and the reporting hierarchies they must respect; lastly, the management powers allocated in mandates and their use must be in line with the objectives of the Compagnia and the Operational Body.

#### 9.4 Review of the Disciplinary System

Article 6.2.c of Legislative Decree 231/2001 expressly requires the organisation to “*put in place an effective disciplinary system to punish non-compliance with the measures required by the Model*”.

#### 9.5 Review of contractual clauses

The need to add specific clauses to govern relationships with beneficiary entities and some types of collaborators, consultants, suppliers and partners according to the requirements of Legislative Decree 231/2001 has been assessed.

#### 9.6 Establishment of a Surveillance Body

For the purposes of exemption from administrative liability, Legislative Decree 231/2001 requires entities to establish an internal body with autonomous powers of initiative and control to supervise the functioning and observance of the Model and to ensure it is kept updated.

### **Chapter 10 – Sensitive Activities of the Compagnia and its Operating Bodies**

As described above, the construction of this Model started with a precise identification of the activities performed by the Compagnia and its Operating Bodies. Based on the results of this process, the relevant processes in terms of the commission of criminal offences and administrative offences were identified.

Based on the specific operating nature of the Compagnia and its Operating Bodies, the risk profiles identified concern the Offences as of Articles 24, 24-*bis*, 25, 25-*bis*1, 25-*ter*, 25-*quater*, 25-*quinques*<sup>6</sup>, 25-*sexies*, 25-*septies*, 25-*octies*, 25-*novies*, 25-*decies* 25-*undecies* and 25-*duodecies* of Legislative Decree 231/2001, the administrative offences as of the Consolidated Act on Financial Intermediation (TUF), as well as the transnational offences as of Law 146/2006.

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<sup>6</sup> The offences as of Article 25-*quinques* (Offences against the individual), which are considered as remote relative to the interests or advantages of the Compagnia and Operating Bodies, do have potential - although limited to some areas of activity - due to the addition, to Article 25-*quinques* of Legislative Decree 231/2001 – following the entry into force of Law 199/2016 – of the offence as of Article 603 bis of the Criminal Code “unlawful intermediation and exploitation of labour”. The principles in the Model are considered, however, suitable for preventing all the offences envisaged in Article 25-*quinques* of Legislative Decree 231/2001.

Instead, the risks of the offences as of Article 24 ter (organised crime), Article 25 bis (counterfeiting of coinage and currency), Article 25 quater.1 (offences relative to the mutilation of female genital organs), and Article 25-terdecies (racism and xenophobia) of Legislative Decree 231/2001 being committed in the interest of advantage of the Compagnia and its Operating Bodies are considered as remote. Consequently, based on the analysis described above, the following Sensitive Activities were identified:

- **Offences committed against the Public Administration, offence of bribery among private individuals and instigation to bribery among private individuals<sup>7</sup>**
  - management of relations with persons of external significance for the Compagnia and its Operating Bodies;
  - management of payments for goods and services/consultancies and professional services;
  - selection and management of suppliers and consultants/external professionals/referees;
  - personnel selection and recruitment;
  - personnel management in terms of the bonus system and career path;
  - management of gifts and entertainment expenses;
  - management of requests for public funding for employee training;
  - management of reimbursements of employee expenses;
  - management of relations with public pension and social security bodies;
  - management of grant disbursements;
  - management of reports and requests of the Independent Auditors;
  - participation in tenders to obtain public funding.
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- **Corporate Crimes**
    - management of relations with the Supervisory Authorities;
    - management of relations with the Board of Auditors;
    - management of conflicts of interest;
    - investing activities.

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<sup>7</sup> The offences of "Bribery among private individuals" and "Instigation to bribery among private individuals", and offences listed under "Corporate offences" (Article 25-ter of the Decree), equate, as regards how they are committed and the principles of control and conduct they affect, to the offence of "Bribery" included under offences committed during relations with the Public Administration as of Article 25 of Legislative Decree no. 231/2001.

- **Market abuse crimes and administrative offences**
  - management of inside information;
  - management of conflicts of interest;
  - investing activities.
- **Offences for the purpose of terrorism or subversion of the democratic order and transnational offences of organised crime**
  - management of grant disbursements.
- **Offences against the individual**
  - selection of suppliers of manual labour, including contractors;
  - selection and assignment of tasks to consulting firms and/or professionals.
- **Manslaughter or grievous bodily harm through negligence, committed in violation of the rules on health and safety at work**
  - management of occupational health and safety.
- **Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering**
  - management of grant disbursements.
- **Cybercrime**
  - use, management and monitoring of IT systems;
  - management of documentation for evidentiary purposes.
- **Environmental offences**
  - management of waste and prevention of the release of ozone depleting substances into the atmosphere.
- **Employment of illegally staying third-country nationals**
  - selection and recruitment of employees;
  - selection and assignment of tasks to consulting firms and/or professionals;
  - selection of suppliers of manual labour, including contractors.
- **Offences against industry and trade**
  - conducting research for the invention of innovative industrial assets.
- **Offences of inducement not to make statements or to make false statements to the judicial authorities**
  - management of relations with persons of external significance for the Compagnia and its Operating Bodies.

In reference to each of these risk areas, specific protocols set out the procedures to mitigate the risks of committing the offences (see Attachments 1-13 Protocols).



## **Chapter 11 - The Surveillance Body**

### 11.1 Role of the Surveillance Body

In implementation of the Decree, the Compagnia's Management Board established the Surveillance and Control Body on 26 October 2009, making it responsible for monitoring the functioning and compliance of this Organisational, Management and Control Model, and to manage its updating.

In accordance with Legislative Decree 231/2001, the SB's operations must be autonomous and independent, professional and consistent, so as to ensure effective and efficient implementation of the Model.

The autonomy and independence of the SB translates into its autonomy of control from all forms of interference or influence by any member of the legal entity and, in particular, the management body.

To ensure compliance with the requirements of autonomy and independence – and to secure sufficient guarantees to prevent the SB or any of its members being removed or penalised as a result of carrying out their duties – the SB reports exclusively to the Compagnia's Management Board.

In accordance with Legislative Decree 231/2001 and recommendations of the main industry associations, the Compagnia has appointed a multi-member SB.

The SB comprises three members nominated by the Management Board with expertise in law, accounting, audit and internal control.

The members of the SB include one person who works full-time for the Compagnia and therefore knows its operations thoroughly, plus two members from outside the company with particular technical skills and expertise in the application of Legislative Decree 231/2001, as specified below.

To further strengthen the autonomy and independence of the SB, the internal member is chosen from among those persons who do not hold management and/or operational positions within the Compagnia (e.g. Members of the Management Board, heads of institutional areas, administrators) but who work in control and supervision.

Members hold office for five years and can be re-appointed any number of times. The Compagnia's Management Board establishes the annual fee payable to the members of the SB for the entire term in office.

### 11.2 Functioning of the SB

In the first meeting, the SB may decide on the frequency of meetings, save for the Chair of the SB or its members requesting additional meetings in writing, whenever necessary for the actual performance of the duties of the SB. The Management Board, Chair and Secretary General of the Compagnia may convene the SB whenever necessary to request clarifications, information or assessments.

### 11.3 Required expertise, integrity and reasons for ineligibility of SB members

The external members of the SB shall be chosen from among experts (e.g. lecturers or freelance professionals) in business/economics or law, or in any case from among persons that have adequate specialist expertise for the function, for example having been or still being a member of supervisory bodies.

Anyone who meets the conditions set out in Article 2382 and Article 2399 of the Civil Code cannot be appointed members of SB, with the exception – solely for the internal member – of the condition set out in Article 2399.B) of the Civil Code.

In addition, a person cannot be appointed as a member of the SB if they have been convicted and sentenced as detailed below, even if judgement is not final or the sentence has been conditionally suspended, or in the event of a judgement issued pursuant to articles 444 et seq. of the Criminal Procedure Code, unless rehabilitated:

- to imprisonment for a period not less than one year for one of the offences provided for by Royal Decree 267 of 16 March 1942;
- to imprisonment for more than one year, for one of the offences under the rules on banking, finance, securities and insurance, and the rules governing markets, securities and payment instruments;
- to imprisonment for a period not less than one year for a crime against the public administration, against public faith, against property, against the public economy, or for a tax offence;
- for any offence committed with criminal intent subject to imprisonment for not less than two years;
- for one of the offences covered by Title XI of Book V of the Civil Code;
- for an offence that leads and has led to conviction resulting in disqualification, even temporary, from public office, or temporary disqualification from managerial positions for legal entities and enterprises;
- for one of the criminal offences or administrative offences set out in the Decree, even if with sentences lower than those stated above;
- anyone found to have been a member of the SB in companies that are subject to the penalties laid down in article 9 of the Decree;
- anyone definitively subject to one of the injunctions set out in Article 67, Legislative Decree 159 of 2011, as amended.

Candidates to become members of the SB must sign a self-declaration in lieu of affidavit that they are not ineligible for any of the reasons mentioned above, expressly undertaking to communicate any changes to the content of such statements.

### 11.4 Dismissal of SB members

The Compagnia's Management Board can dismiss members of the SB only if significant violations of their mandate are discovered that relate to their duties under the law or this Model; The Management Board can also dismiss one or

more members if it becomes aware of any of the reasons for ineligibility or forfeiture indicated below.

#### 11.5 Forfeiture of SB members

SB members forfeit their position if, after their appointment, they:

- are in one of the situations contemplated in Article 2399 Civil Code;
- no longer meet the integrity requirements;
- are found, after appointment, to have been a member of the SB in companies or entities subject to the penalties laid down in article 9 of the Decree in relation to offences or administrative offences (as per the Consolidated Law on Finance) committed during their term in office;
- are found by the Management Board to have been careless, incompetent or to have acted with gross negligence in performing the tasks assigned to the SB and performed by it in accordance with law and this Model, and in particular in the identification and consequent resolution of breaches under the Model, and also – in the most serious cases – to have committed offences.

#### 11.6 Suspension of SB members

The following circumstances are grounds for suspension of an SB member:

- the application of a personal precautionary measure;
- the provisional application of one of the precautionary measures provided for by Article 67 of Legislative Decree 159 of 2011, as amended.

#### 11.7 Duties and functions of the SB

As regards supervision of the Model's functioning and compliance, the SB is responsible for:

- supervising the Target Recipients' observance of the Model's requirements on an ongoing basis, with particular regard to sensitive activities;
- checking on transactions or specific actions resulting from sensitive activities, on a regular and ad-hoc basis;
- collecting, processing and storing all relevant information acquired in the performance of its duties;
- setting up an email inbox that can be accessed solely by the members of the SB, then informing the Target Recipients of this address and of a physical mailing address to which they may submit – in a sealed envelope addressed to the members of the SB – reports of infringements of the Model, as well as reports of breaches committed by people required to comply with specific provisions of the Model;
- assess reports from the Target Recipients concerning possible infringements of the Model, as well as reports of breaches committed by people required to comply with specific provisions of the Model;
- perform appropriate inspections to ascertain violations of the Model, working in coordination on each occasion with the offices or relevant operational areas to obtain all information relevant to the investigation;

- prepare a brief report to explain the decision taken in each investigation carried out and provide a record of what happened;
- inform the offices or relevant operating areas or bodies of the Compagnia and the Operating Bodies of violations of the Model and infringements by persons required to comply with specific rules set out herein, in order to start disciplinary proceedings and assess whether to invoke the prescribed remedies;
- coordinate with the organisational units responsible for managing the training of staff of the Compagnia and the Operating Bodies, in order to prepare specific training programmes on appropriate dissemination of the Model;
- monitor initiatives for disseminating and raising awareness of the principles of the Model among the Target Recipients;
- answer Target Recipients' questions on the Model and receive any suggestions regarding its implementation and improved effectiveness;
- retain all documentation relating to the activities specified above.

As regards updating the Model – notwithstanding the Management Board's responsibility to approve amendments to the Model – the SB will inform the Board of any required implementation of the Model and periodically monitor its adequacy.

In this regard, the SB's responsibilities are:

- monitoring changes in relevant regulations;
- analysing Group activities in order to constantly update the list of sensitive activities;
- supervising updates to every part of the Model, to prevent criminal offences/administrative offences, in coordination with the offices and operational areas;
- evaluating changes to the Model in the event of criminal offences/administrative offences or significant violations;
- proposing any changes to the Model to the Management Board, either due to changes in the operations of the Compagnia and the Operating Bodies, or arising from changes to Legislative Decree 231/2001.

In carrying out these activities, the SB may engage the services of other offices/operating areas within the Compagnia and the Operating Bodies, as well as external consultants with specific skills, whose professional contribution may be required from time to time, without the need for the SB to obtain specific authorisation from the Management Board for the spending budget allocated each year upon request to the SB by the Board.

#### 11.8 Reporting of the Surveillance Board to the Management Board of the Compagnia

The SB reports to the Compagnia's Management Board on matters relating to the Model.

The SB can be called at any time by the Management Board of the Compagnia to report on its activities and to confer with it. The SB may also request to meet the Management Board of the Compagnia whenever it needs to report violations of

the Model promptly or call its attention to problems with the functioning and compliance of the Model.

The SB is responsible for providing the appropriate clarifications on issues relating to the interpretation of the Model or queries.

Every six months, the SB prepares a written report for the Management Board of the Compagnia, signed by all its members and concerning:

- the SB's activities during the period;
- any critical issues found in relation to conduct and events;
- the planned corrective actions and progress with their implementation.

Together with the report to the Compagnia's Management Board for the second half of the year, the SB will also prepare a statement to be included in the management report accompanying the financial statements and a plan of activities for the next year. The Management Board can also ask the SB to perform additional checks on specific topics.

The SB establishes, in good time, the procedures and timetable for all the different offices/operating areas to provide the necessary information so that it can effectively carry out the verification activities assigned to it.

#### 11.9 Periodic reporting of the SB to other bodies of the Group

##### *- Relations with Operating Bodies*

The SB oversees the functioning of the Model and compliance with it by the Operating Bodies and, to this end, maintains relationships with their boards in relation to issues concerning the Model.

To enable effective management of the SB's supervisory and control activities, each Operational Body must select an internal *contact person for internal controls*, who will be responsible for managing all communications with the SB and for supporting it – or the offices it appoints – with its activities.

The management board of each Operational Body is responsible for informing the SB of the *contact person for internal controls*.

Purely by way of example, the *contact person* will be responsible for the following tasks:

- informing the SB of the adoption of the Model by the governing body of Operational Body;
- sending the SB the information flows it requires;
- coordinating the implementation of the Model by the Operational Body.

The SB sends each Operating Body - for areas in their responsibility - an excerpt of its six-monthly reports to the Management Board of the Compagnia.

##### *- Coordination with CSP-ST's Surveillance Body*

To ensure consistency between the Compagnia, its Operating Bodies and CSP-ST, as well as maintaining a unified vision on common subjects for their various

operating units, the two supervisory bodies will work closely together, including through reciprocal exchange of information.

In the case of significant events/information as regards compliance with, the operation and alignment of the Model, as well as changes to the system of powers and mandates or respective organisational and governance units, these events/information will be promptly notified by the Body concerned to the other Body.

- *Relations with other control bodies of the Group*

Where required, the Surveillance Body reports on its activities to other control bodies of the Group, also by taking part in the meetings of the other control bodies.

11.10 Obligations to report to the SB

The Surveillance Body must be promptly informed of operations carried out as part of Sensitive Activities that could expose the Compagnia and its Operating Bodies to the risk of the commission of offences pursuant to Legislative Decree 231/2001.

In order to monitor Sensitive Activities on a continual basis, the SB has put in a place a system of information flows from Group functions/offices that operate in areas considered at potential risk of the commission of offences pursuant to Legislative Decree 231/2001 and/or by other Group offices/functions that have data and information to assist the SB in carrying out its monitoring activities.

The section "Information flows to the Surveillance Body" of each of the Protocols attached to the Model, indicates the type of data/information, regarding each Sensitive Activity, to be sent on a regular basis to the Surveillance Body, and the intervals.

To manage periodic information flows, the Compagnia and Operating Bodies have adopted an internal procedure in which dedicated persons in the Group send the Surveillance Body the above information, according to established IT procedures and times.

The SB also exchanges information on a continual basis with the Internal Audit function of the Compagnia as regards areas of interest for the activities of the Body, and, in particular, as regards the results of controls periodically carried out by the function on activities and/or processes identified as sensitive, due to the risks of offences pursuant to Legislative Decree 231/2001.

Where considered necessary for the purposes of its monitoring activities, the SB may also request reports/documents or information flows in addition to those described (according to procedures and times defined as and when necessary), to the functions/offices referred to in the introduction and/or to arrange for meetings, at regular intervals, with managers of the functions/offices.

Data, documents and materials sent to the Surveillance Body are saved in a specific digital and/or hard copy file, kept in compliance with applicable provisions on the processing of personal data.

### 11.11 Reporting

The Compagnia and Operating Bodies have specific channels for Recipients to send reporting to the Surveillance Body, protecting the integrity of the Compagnia and Operating Bodies, on unlawful conduct, which is significant pursuant to Legislative Decree 231/2001 and based on specific, concordant facts, or on violations of the Model and/or rules of conduct in the Model which come to their knowledge while carrying out their functions.

In particular, reporting shall be made in writing directly to the SB, sending a closed envelope to:

Organismo di Vigilanza (Surveillance Body) Compagnia di San Paolo

C.so Vittorio Emanuele II 75

10128 Turin

or alternatively by email to

[odv@compagniadisanpaolo.it](mailto:odv@compagniadisanpaolo.it)

The channels adopted to send reporting are suitable for guaranteeing the confidentiality of the reporting body during activities to manage the reporting, and reporting may only be accessed by members of the SB, that undertake to use the information only for the monitoring and control purposes of their function

The SB assesses reporting received and carries out further investigations, consulting the reporting party and/or person allegedly committing the violation, and justifying any refusal to proceed with an internal investigation in writing.

Reporting parties are protected from any direct or indirect form of reprisals, discrimination or penalisation, for reasons related directly or indirectly to the reporting, save for legal obligations and the protection of the rights of the Compagnia and its Operating Bodies or persons that are wrongly accused and/or accused in bad faith.

Violations of measures to protect reporting parties, or malicious or negligent reporting that proves to be unfounded constitute a violation of this Model and as such, are subject to the sanctions of the disciplinary system in force.

Reporting sent to the SB is saved in a specific digital and/or hard copy file, kept in compliance with applicable provisions on the processing of personal data.

## **Chapter 12 – Disciplinary system**

### 12.1 Purpose of the disciplinary system

To ensure the full effectiveness of this Model it is necessary to adopt an appropriate disciplinary system, with sanctions that are proportionate to the seriousness of the violation of the rules set out in the Model and the rules of conduct referred to herein by representatives, managers, employees, beneficiary entities, collaborators, consultants, suppliers and partners of the Compagnia and its Operating Bodies. In fact, under Article 6.1.e. of Legislative Decree 231/2001, establishing this disciplinary and/or contractual sanctions system is an essential requirement of the Model for the purposes of exemption from administrative liability.

The type and level of each of the sanctions established is decided taking into account the degree of imprudence, carelessness, negligence, culpability, or wilfulness of the act/omission, also considering whether the act/omission was repeated a number of times, and the work carried out by the person concerned and their position, together with any other relevant circumstances characterising the fact.

Disciplinary action will be pursued regardless of the initiation and/or pursuit and completion of a criminal case, since the principles and rules of conduct laid down in the Model are adopted by the Compagnia and the Operating Bodies in full autonomy and independently of any criminal offences which said conduct may constitute, which is the responsibility of the courts to ascertain.

This is in any case without prejudice to any claims for damages if violations of the rules of conduct set out in this Model cause tangible harm to the Entities, for example in the event that a judge applies the measures set out in Legislative Decree 231/2001 to such claims.

The Surveillance Body is responsible for verifying the adequacy of the disciplinary system and constantly monitoring the application of sanctions to employees, as well as of actions relating to external parties. The Surveillance Body will also report any violations that it becomes aware of during the performance of its own duties.

### 12.2 Disciplinary measures resulting from violations by middle management and office staff

Violation of the regulations and of the rules of conduct set out in this Model (considered as a whole, including its attachments) by non-management staff is considered a “disciplinary offence” and as such can be punished through a system of disciplinary measures in accordance with the relevant employment contract.

After the SB has been informed of the violation of the rules set out in the Model, or after the SB has performed inspections that find violations of these rules, a disciplinary investigation will be carried out.

This procedure will be conducted by the SB, in concert with the person responsible for HR management at the Compagnia or the Operating Bodies, in



accordance with the relevant employment contract and article 7, Law 300 of 20 May 1970 (Law 300/1970).

If a disciplinary violation is found to have been committed, issuing any sanctions is the responsibility of the person/body appointed for this purposes on the basis of the system of powers and mandates in force at the Compagnia and the Operating Bodies.

The Compagnia and/or the Operating Body will issue the relevant employee with the most appropriate disciplinary sanction from among those listed below, considering the employee's overall conduct and the general criteria specified in the preceding section:

- A **VERBAL WARNING** can be issued in the event of a slight violation of the principles and rules of conduct set out in this Model or in the event of actions, within a risk type identified in the Model, that are not in line with or not appropriate for the aforementioned principles and rules, with such action constituting a slight breach of the Model.
- A **WRITTEN WARNING** can be issued in the event of repeated slight violations of the principles and rules of conduct set out in this Model or in the event of repeated actions, within a risk type identified in the Model, that are not in line with or not appropriate for the aforementioned principles and rules, or the directives and instructions issued by management and superiors. This sanction will also be applied in the event of unjustified absence from the training courses on Legislative Decree 231/2001, the Model and other related subjects.
- A **SUSPENSION WITHOUT PAY FOR UP TO 10 DAYS** can be applied in the event of a violation of the principles and rules of conduct set out in this Model or in the event of event of actions, within a risk type identified in the Model, that are not in line with or not appropriate with respect to the provisions of the Model, to such an extent that they are considered to be of a certain level of seriousness, or in the event of repetitions of disciplinary offences previously sanctioned with a WRITTEN WARNING.
- **DISMISSAL FOR JUST CAUSE (WITH NOTICE)** can be used in the event of an action that constitutes a significant violation of the principles and rules of conduct set out in this Model when carrying out an action covered by the risk profiles identified in the Model, exclusively when this action is only potentially likely to constitute a crime, or in the event of repetitions of disciplinary offences previously sanctioned with a Suspension.
- **DISMISSAL FOR JUST CAUSE (WITHOUT NOTICE)** can be used in the event of an action that constitutes a significant violation of the principles and rules of conduct set out in this Model when carrying out an action covered by the risk profiles identified in the Model, when this action is wilful or grossly negligent and when it is likely to constitute a crime or cause such serious harm to the relationship of trust that characterises the employment relationship that it cannot be continued, even provisionally.

This sanction will also specifically be applied in cases of:

- failure to prepare documentation required by the Model or incomplete or lacking preparation of this documentation in order to wilfully circumvent the requirements of the Model, or removal, destruction or alteration of this documentation;
- any action taken to wilfully circumvent the requirements of the Model;
- hindering controls and/or impeding access to information and documentation by the persons responsible for controls or decisions.

This is without prejudice to all provisions of Article 7, Law 300/1970, which are understood to be reproduced here in full. In particular:

- the obligation – in relation to the application of any disciplinary action – to inform the employee of the accusation in advance and to allow them to defend themselves;
- the obligation – except for the verbal warning – to issue the sanction at least 5 days after notification of the accusation (during which the employee may submit their explanations).

### 12.3 Disciplinary measures resulting from violations by management

The violation of the principles and rules of conduct set out in this Model by managers or in the event of actions that are not in line with the risk profiles identified in the Model will be subject to the most appropriate disciplinary measure.

After the SB has been informed of the violation of the rules set out in the Model, or after the SB has performed inspections that find violations of these rules, a disciplinary investigation will be carried out.

This procedure will be conducted by the SB, in concert with the Compagnia's Personnel Manager or person responsible for HR management at the Operating Bodies, in accordance with the relevant employment contract and article 7, Law 300 of 20 May 1970 (Law 300/1970).

In the event of the commission of the aforesaid violations by management staff, it is possible to apply the sanction of dismissal pursuant to Article 2119 of the Italian Civil Code, to be decided by the Management Board and/or the corresponding management boards of the Operating Bodies responsible for these decisions according to the Articles of Association, after a procedure conducted according to the rules of Article 7, Law 300 of 20 May 1970.

The failure by management staff to supervise the correct application by hierarchically junior employees of the rules of conduct, the rules and the procedures set out in the Model is a disciplinary offence. In addition, the violation of the rules of conduct contained in the Model by management staff themselves or, more generally, acting in their respective roles in a way that is not consistent with the conduct reasonably expected of a manager in light of their role and level of autonomy is also a disciplinary offence.

Depending on the seriousness of the manager's omission, in light of Article 2106 of the Italian Civil Code, if dismissal is not justified, then alternative disciplinary measures can be assessed, such as changes in their responsibilities and/or position, without prejudice to the limit set out in Article 2103 of the Italian Civil Code and the rule set forth in Article 7.4 of Law 300/1970.

#### 12.4 Disciplinary measures resulting from violations by the Secretary General and/or Director

If the Secretary General and/or the Director has acted in any way that is not consistent or not in line with the rules of conduct set out in the Model, they may be subject to the sanctions set out in the disciplinary system for management (see section 14.3) if they are connected to the Compagnia and/or the Operating Bodies by an employment relationship and have a management role.

If the Secretary General and/or the Director are not an employee of the organisation, the Surveillance Body, after establishing the conduct violating the provisions of the Model, reports in an adequate manner to the Management Board of the Compagnia and/or the Administrative Entity of the Operating Body concerned, which will take all appropriate measures.

#### 12.5 Disciplinary measures resulting from violations by members of Governing Bodies

Following notification to the SB of conduct that goes against the provisions of the Model by a member of the Management Board of the Compagnia and/or Administrative Entity of an Operating Body, or following the direct identification of this conduct by the SB during its control activities, a procedure will be put in place by the SB to ascertain this conduct. After the unlawful conduct has been ascertained, this Body will report to the Management Board of the Compagnia, that will take the measures it considers most appropriate, or send - at its discretion - documents to the Governing Council of the Compagnia. The same reporting will be given to the Administrative Entity of the Operating Body concerned, which will take decisions based on internal regulations.

In the case of violations of the provisions of the Model committed by a member of the Board of Auditors of the Compagnia and/or Operating Bodies, the SB will report to the Management Board of the Compagnia and/or to corresponding Administrative Entities of Operating Bodies, which will take decisions based on internal regulations and adopt the measures considered most appropriate.

#### 12.6 Disciplinary measures resulting from violations by beneficiary entities, suppliers, consultants, collaborators and partners

If it is found that beneficiary entities of the Compagnia and/or the Operating Bodies have not complied with the rules of conduct and requirements set out in the Model, then the SB will send a brief written report to the Secretary General and/or the Director. These violations will then be managed by the Secretary General and/or Director together with the person responsible for the unit to

which the report relates and could result in the suspension, termination or request for reimbursement of funding.

In addition, if it is found that suppliers, consultants, collaborators and partners of the Compagnia and/or the Operating Bodies have not complied with the rules of conduct and requirements set out in the Model, then the SB will send a brief written report to the Secretary General and/or the Director. These violations will then be managed by the Secretary General and/or Director together with the manager of the office to which the relationship/service refers and could result in the application of penalties and/or termination of contract in accordance with the relevant contractual agreements, without prejudice to the right to seek damages.

### **Chapter 13 - Training and internal communication**

The administrative liability regime laid out in law, together with the Organisational, Management and Control Model adopted by the Compagnia and the Operating Bodies, form an overall system which must be reflected in the operational conduct of staff and board members.

As such, it is essential to implement a communication and training system for disseminating the contents of the Legislative Decree and of the Organisational Model adopted, including all its various components (e.g. the aims of the Model, its structure and key components, the powers and delegation system, identification of the Surveillance Body, information flows to the Surveillance Body). The purpose is to ensure that knowledge of the subject matter and compliance with the rules arising from it become an integral part of staff professional culture.

Training and internal communications for all staff – with due regard to their specific duties – have been structured with this in mind, to ensure widespread knowledge of the subjects in question and a corporate culture that embraces them, thereby mitigating the risk of offences being committed.

#### 13.1 Internal communication

The Compagnia and the Operating Bodies inform all their respective staff of the adoption of this Organisational, Management and Control Model, by attaching a copy of it.

New hires receive a copy of the Organisational, Management and Control Model when they join, together with the other relevant documents.

By signing a declaration, staff members confirm they have received the documents and have read them fully, and undertake to comply with the rules they contain.

The Organisational, Management and Control Model is published on the intranet. The published documents are regularly updated to incorporate any intervening changes in legislation and in the organisational model.

### 13.2 Training

To ensure the effective implementation of the Model, it is a general objective of the Compagnia and the Operating Bodies to ensure that all Target Recipients of the Model know and are provided with the rules of conduct set out therein. All Target Recipients must have full knowledge of the propriety and transparency objectives that the Model is intended to achieve, as well as the methods through which the Compagnia and its Operating Bodies have sought to pursue them.

There is also a specific need to ensure that staff whose work has been found to be or could be "at risk" have proper knowledge of the Model's requirements and the underlying basis for its effective implementation. These objectives apply to the staff of the Compagnia and the Operating Bodies.

Working in close coordination with the Compagnia's Personnel Manager or the person responsible for the management of human resources for the Operating Bodies, the SB will be responsible for assessing the effectiveness of the training plan as regards course content, method of delivery, their **repetition**, checking on **mandatory** attendance and **measures to be taken against anyone who does not attend** without just cause.

Accordingly, the Compagnia and the Operating Bodies have set up initiatives designed to ensure the widest possible dissemination of the requirements of the Model and consequent awareness among all staff.

Training activities for all staff at the Compagnia and the Operating Bodies have therefore been organised to illustrate the following topics:

- regulatory framework (consequences for the Entity due to the commission of crimes and administrative offences under Legislative Decree 231/2001, essential characteristics of the crimes and the Model's function in this context);
- the Model.

Participation in the training processes described above is mandatory and recorded. Attendees are required to sign in and the names of those present are sent to the SB.

For **new hires** or anyone unable to attend the courses discussed above for valid reasons, specific courses must be organised by agreement with the manager.

The **courses will be repeated** periodically in order to verify the effective application of the Model by Target Recipients and their awareness of the topics and requirements set out in the said Model.

### 13.3 Information for beneficiary entities, suppliers, consultants, employees and partners

Beneficiary entities, suppliers, collaborators, consultants and partners must be respectively informed by the Compagnia and its Operating Bodies of the adoption of this Model and the requirement to act in accordance with Legislative Decree 231/2001 and the aforementioned rules.



Compagnia di San Paolo

RULES OF CONDUCT  
OF THE COMPAGNIA DI SAN PAOLO AND ITS  
OPERATING BODIES

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## Introduction

The Compagnia di San Paolo (hereinafter the "Compagnia" is a private independent non-profit entity, open to dialogue and collaboration with the local, national and European public institutions, that pursues the purposes of public interest and social assistance in order to promote the civil, cultural and economic development of the communities in which it works.

The Compagnia pursues its goals by managing and administering the assets it has accumulated over the centuries, which the Entity is committed to transferring intact to future generations.

The foundation achieves its mission of social utility through its work in the relevant sectors. Within the relevant sectors, the Compagnia works in two different ways: on one hand by implementing and developing its own projects, and on the other hand by making outright grants to support projects submitted by public entities and private non-profit entities, considered worthwhile following a specific selection process.

Moreover, the Compagnia also carries out its activities through Operating Bodies, which are specialist entities through which actions in the relevant sectors are channelled. Each year, the Compagnia supports the routine activities of its Operating Bodies based on the planning of the Operating Bodies.

The framework of rules according to which the Compagnia and its Operating Bodies operate is based on general laws, specific laws, resulting regulations, articles of association and regulatory documents approved by governing bodies of the organisation.

The Compagnia and its Operating Bodies adopt the following rules of conduct in order to clearly and transparently define the values based on which objectives of efficiency and effectiveness are achieved, focussing activities on criteria of legality, transparency, responsibility and objectivity according to principles of good conduct.

The rules of conduct set out the values and rules which must be observed by members of Governing Bodies and employees of the Compagnia and its Operating Bodies (hereinafter "Recipients").

Executives and managers of the Compagnia and its Operating Bodies must align the actions of entities with the rules of conduct, disseminating the principles among employees and raising awareness.

The value and importance of the rules of conduct are consolidated by a specific responsibility given to the Bodies, as a result of the commission of the offences and administrative offences contemplated in Legislative Decree no. 231 of 8 June 2001.

Beneficiary Entities, Consultants, External Staff, Suppliers, Partners and everyone that operates in the name and on behalf of the Compagnia and its Operating Bodies must know and respect the rules of conduct of the Compagnia and its Operating Bodies.

## **Core principles**

### *Compliance with laws and regulations*

All activities carried out in the name and on behalf of the Compagnia and its Operating Bodies must be performed complying in full with applicable laws and regulations. Any violations of laws or regulations may not be justified under any circumstances by pursuing the interests of the Bodies.

Each recipient undertakes to act diligently to obtain necessary information on laws and regulations in force which are applicable to the recipient's functions.

All employees must observe general principles of diligence and loyalty as of Article 2104 of the Italian Civil Code, as well as rules on conduct in collective bargaining agreements applicable to them.

### Integrity

In carrying out their functions, each Recipient must adopt a conduct based on transparency and moral integrity and in particular, on values of integrity, fairness and good faith. Pursuing the interest of the Organisation cannot in any way justify a conduct that goes against the principles of fairness and integrity; for these reasons, Recipients must refuse any type of benefit or gift, received or offered, that may be considered as a means of influencing the independent judgement and conduct of parties involved.

### Fairness

External relations and relations with employees and staff must be based on the utmost fairness, which means fairness in agreements, acting with a sense of responsibility, valuing and safeguarding the assets of the Compagnia and its Operating Bodies, with the clear and functional management of information and acting in good faith in all activities or decisions.

### Dignity and equality

Each recipient recognises and respects the personal dignity, private life and rights of all individuals.

Each recipient works with women and men of different nationalities cultures, religions and ethnic groups. The Compagnia and its Operating Bodies reject and prohibit any form of discrimination, harassment or affront of a sexual, personal or other nature.

### Professionalism and a spirit of cooperation

Each recipient carries out its activities with a professional approach required by the nature of his/her duties and functions, committing to achieving the objectives assigned to him/her and undertaking the responsibilities assigned based on his/her duties. Each recipient must diligently carry out necessary activities to further/update his/her knowledge. Reciprocal work between persons involved for any reason in the same project - particularly with reference to the transparency and sharing of relevant information - is an essential aspect for the Compagnia and its Operating Bodies. The quality and efficiency of the internal organisation and reputation of the Compagnia

and its Operating Bodies are determined to a considerable extent by the conduct of each Recipient, who is therefore required to contribute with a conduct that safeguards these values.

#### Traceability and confidentiality of information

Each Recipient must provide adequate documentation of each operation carried out, in order to be able to check, at any time, the reasons and characteristics of the operation during the authorisation, operative, registration and control stages.

The Compagnia and its Operating Bodies guarantee, in compliance with legal provisions, the confidentiality of the information they have. Recipients may not use confidential or classified information for purposes other than those related with their operations, before said information is formalised, authorised or notified to parties concerned.

#### Conflict of interest

In carrying out their functions, Recipients must avoid actual or potential conflicts of interest. By way of example, conflicts of interest exist in the following cases:

- exploiting one's own position in order to pursue interests that go against those of the Compagnia and/or Operating Bodies;
- using information obtained while carrying out work activities to one's own benefit or the benefit of third parties, which goes against the interests of the Compagnia and/or Operating Bodies; as further specified below, a conflict of interests arises in situations where the person may be influenced in his/her decisions/choices in such a way as to affect their ability to take decisions in the best interests of the Compagnia and/or Operating Body;
- taking on appointments or carrying out work activities of any kind with beneficiary entities, customers, suppliers, competitors and third parties in general that go against the interests of the Compagnia and/or Operating Bodies.

Any situation that may potentially cause a conflict of interests or in any case affect the ability of the Recipient to take decisions in the best interests of the Compagnia and/or Operating Bodies must be immediately notified by the Recipient to the Surveillance Body, sending an email to [OdV@compagniadisanpaolo.it](mailto:OdV@compagniadisanpaolo.it) and shall require the Recipient in question to refrain from carrying out the operations connected or relative to the situation in question.

## External relations

### Relations with beneficiaries, partners and external counterparties

Relations with beneficiary entities, partners and external counterparties shall take place respecting the fundamental principles as of this document, and applicable laws.

Activities with external counterparties must be based on principles of integrity, fairness, cooperation and transparency, and criteria of competency, professionalism, dedication and efficiency.

In carrying out initiatives with beneficiary entities, partners and external counterparties, Recipients must comply with the rules of conduct set out in this document. In particular, they must:

- establish relations exclusively with beneficiary entities, partners and external counterparties that have a good reputation and a culture of ethics comparable to that of the Compagnia and its Operating Bodies;
- ensure transparent agreements and avoid signing agreements which go against the law;
- maintain transparent, cooperative relations with beneficiary entities, partners and external counterparties; ensure that any gifts or donations from beneficiary entities, partners and external counterparties are only of modest value<sup>1</sup> and consistent with normal accepted practices and, in any case, do not affect integrity and independent judgement.

### Relations with governments, public institutions, public offices or entities with public functions

Relations with the Public Administration and public institutions (by way of example Municipalities, Ministries and their local offices, Public Entities, Organisations and

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<sup>1</sup> A limit of 150 euro has been established, based on applicable external regulations.

Companies that operate in the public services sectors, local entities, local authorities, the Bank of Italy, the Italian Data Protection Authority, Universities, external Auditors), are based on the utmost transparency and fairness, complying with the rules of conduct in this document, as well as with the articles of association of the Compagnia and Operating Bodies and applicable laws.

In particular, purely by way of example, the following actions are prohibited in Italy and abroad:

- promising, offering or paying in any way or providing sums of money, assets in kind or other benefits, also as a result of unlawful pressure, personally to public offices or private individuals, when public service officers, for the purpose of promoting or furthering the interests of the Compagnia and/or its Operating Bodies. The above rules cannot be circumvented by using other forms of aid or assistance such as positions, consultancies, advertising, sponsorships, job opportunities, business opportunities or any other kind of opportunity;
- adopting a conduct that in any case is intended to unduly influence the decisions of officers that manage or take decisions on behalf of the public administration;
- providing or promising to provide, solicit or obtain information and/or documents that are confidential or in any case that could compromise the integrity or reputation of one or both parties in violation of the principles of transparency and professional propriety.

Actions such as giving gifts or providing hospitality, adopted by Recipients, for Public Officials or Public Service Officers are permitted where directly attributable to normal courtesy or considered customary in view of the occasion, provided they do not compromise the integrity and reputation of the Compagnia and its Operating Bodies and do not influence the recipient's independence of judgement.

#### *Relations with suppliers of goods and services*

The selection of suppliers of goods and services and, in any case, the purchase of goods and services of any type, are overseen by specific units, based on objective,

documentable criteria and the search for the best balance between cost-effectiveness and quality of service.

In relations with suppliers of goods and services, the Compagnia and its Operating Bodies are guided by principles of transparency, equality, fairness and free competition. In particular, during the above relations, the Compagnia and its Operating Bodies must:

- establish efficient, transparent and collaborative relations, by maintaining an open and frank dialogue in line with contractual best practices;
- secure suppliers' cooperation in consistently ensuring the best balance between quality, cost and delivery times;
- enforce the conditions stipulated in the contract;
- request suppliers to observe the rules of conduct adopted by the Compagnia and its Operating Bodies and include specific provisions in contracts;
- operate within applicable regulations and demand due compliance with those regulations.

In compliance with criteria of social responsibility, the Compagnia and its Operating Bodies require their own suppliers to meet in full legal provisions on employment, occupational health and safety and environmental protection.

#### Relations with external staff/consultants

In relations with external staff/consultants, the Compagnia and its Operating Bodies must:

- carefully evaluate the advisability of using the services of external staff/consultants and select counterparties of an adequate professional qualification and reputation;
- establish efficient, transparent and collaborative relations, by maintaining an open and frank dialogue in line with contractual best practices;
- secure the cooperation of external staff/consultants in consistently ensuring the best balance between service, cost and delivery times;



- enforce the conditions stipulated in the contract;
- request external staff/consultants to observe the rules of conduct adopted by the Compagnia and its Operating Bodies and include specific provisions in contracts;
- operate within the applicable regulations and demand due compliance with those regulations.

## **External communication**

### External communication

The Compagnia and its Operating Bodies recognise that the mass media play a fundamental role in the information transfer process. For this reason, relations with both national and international mass media are managed in full compliance with principles of transparency, clarity, accuracy and timeliness.

Relations with the mass media are overseen exclusively by dedicated persons or units. It is specifically prohibited for Recipients to provide information to representatives of the mass media or to undertake to give information without the authorisation of competent persons/units. It is also prohibited to offer payments, gifts or similar intended to influence the professional activities of the mass media.

Recipients required to provide information to external sources concerning the objectives, activities, areas of operations and results of the Compagnia and its Operating Bodies, through involvement in public events, conferences, congresses, seminars or the writing of articles, papers and publications in general, must obtain authorisation of the texts, reports prepared and communication strategies, from the top management of the body they belong to, agreeing on and checking the contents with the competent unit.

### Distribution of information

The Compagnia and its Operating Bodies, in carrying out their activities, ensure the transparency of choices made. The distribution of information is managed according to criteria of truthfulness, accuracy and timeliness. To this end, information distributed internally and externally (to institutional partners, suppliers, external partners), must be written scrupulously and in compliance with these criteria.

## **Human resources and employment policy**

### General principles

Loyalty, ability, a professional, serious approach, training and the dedication of personnel are the values and conditions which are a determining factor for achieving the objectives of the Compagnia and its Operating Bodies.

As part of the recruitment process - conducted in compliance with the rules of conduct set out in this document, with equal opportunities and without any type of discrimination - the Compagnia and its Operating Bodies operate so that their resources match profiles which actually meet organisational needs, avoiding favouritism and facilitation of any kind.

In developing human resources, the Compagnia and its Operating Bodies undertake to establish and maintain the conditions necessary so that the abilities, competencies and knowledge of all employees may be further developed, in order to effectively achieve the objectives of the Entity. For this reason, the Compagnia and its Operating Bodies pursue a policy which recognises merit, in compliance with equal opportunities.

In this context, employees are requested to acquire new skills, abilities and knowledge, and to operate, while carrying out their activities, in full compliance with the organisational set-up of the Bodies, also to allow for a correct and orderly chain of internal controls and a specific, comprehensive framework of responsibilities.

### Recruitment, empowerment and professional training

Personnel must be recruited in strict compliance with standard rules established by the Compagnia and its Operating Bodies and based on criteria of transparency in assessing requisites of competence and professionalism, ability and individual potential.

As regards personnel recruitment and management, and professional relations, Recipients must specifically respect people, their dignity and values at all times,

avoiding any discrimination based on gender, ethnic origin, nationality, age, political opinions, religious beliefs, health, sexual orientation or economic/social conditions.

The mere promise of salary increases, other benefits or career advancement, in exchange for activities which go against the law, the rules of conduct in this document and internal rules and regulations is prohibited.

Any type of retaliation against Recipients that refuse to adopt an unlawful conduct or who complain about or report such conduct is also prohibited.

### Remuneration

Without prejudice to compliance with mandatory laws, the remuneration system, at any level, as regards both cash and benefits, must be based on the principle that remuneration is only determined from appraisals concerning training, specific professional aspects, experience gained, merit shown and the achievement of assigned objectives.

### Workplace

Recipients must adopt a serious, orderly and fitting conduct.

The Compagnia and its Operating Bodies specifically prohibit the harassment of anyone or intolerance of any type in the workplace.

Recipients actively cooperate in order to achieve common results and undertake to create a serene and gratifying workplace.

### Workplace safety and workers' health

The Compagnia and its Operating Bodies are committed to developing and implementing strategies, policies and operating plans intended to prevent and manage all conduct that is negligent or malicious that could cause direct harm to personnel of the Compagnia and its Operating Bodies and/or tangible and intangible resources of the Bodies.

Recipients undertake to disseminate and consolidate a culture of safety, to develop an awareness of risks, promoting a responsible conduct by all staff and operating to safeguard the health and safety of personnel, above all through preventive actions.

Activities must be carried out in compliance with applicable laws on occupational health and safety; operations must refer to advanced criteria for environmental protection, pursuing an improvement in occupational health and safety conditions.

Recipients must refrain from adopting, assisting or generating a conduct that, individually or jointly, directly or indirectly constitutes the offences of manslaughter or serious or grievous bodily harm committed in violation of the regulations on occupational health and safety, envisaged by Article 25-septies of Legislative Decree 231/2001.

#### Use of equipment and structures

The assets of the Compagnia and its Operating Bodies, and in particularity equipment at its workplaces, are used for service purposes, in accordance with applicable laws.

Under no circumstances may assets and in particular IT and network resources be used for purposes that go against mandatory laws, public order or morality, or to commit or instigate to commit offences or in any case to instigate racial intolerance, the exaltation of violence or violation of human rights.

No Recipient may make recordings or audiovisual, electronic, hard copy or photographic reproductions of work documents, save for cases where these activities are part of the normal performance of their functions.

#### Internal controls

The internal control system means all instruments and processes necessary or useful to guide, manage and control activities of the Compagnia and its Operating Bodies.

The Compagnia and its Operating Bodies have established a system of internal controls, aimed at monitoring and guiding the internal organisation, and at guaranteeing the adoption of legal provisions, regulations and the rules of conduct set out in this document.

In order to have uniform methods and tools, activities to control Operating Bodies are carried out centrally by the Compagnia, as decided by Administrative Bodies. The system is organised in such a way as to allow the Administrative Bodies of the Compagnia and its Operating Bodies to have full responsibility.

As part of the internal control system, each unit monitors and guarantees the compliance of its actions and activities with legal provisions in effect and with the rules of conduct in this document. The individual units of the Compagnia and its Operating Bodies are responsible for carrying out level one controls in areas in their responsibility, for identifying any nonconformities in their areas and reporting them to the relevant units of the Compagnia and its Operating Bodies.

## Accounting information

### Accounting entries

Accounting entries are kept according to principles of transparency, truthfulness, completeness, clarity, precision, accuracy and compliance with applicable laws. To support each operation, adequate documentation must be kept, facilitating accounting entries, the traceability of the operation and identification of any responsibilities.

The Compagnia and its Operating Bodies require compliance with all applicable regulations and in particular, regulations on the preparation of financial statements and all types of mandatory administrative/accounting documents.

Accounting is based on widely accepted accounting standards and systematically identifies events resulting from the operations of the Compagnia and its Operating Bodies.

Adequate supporting documentation must be kept for all accounting entries of transactions. It must be possible to identify the reason for the transaction relative to the accounting entry and relative authorisation from this documentation. Supporting documentation must be readily available, and filed according to appropriate criteria which allow for the documentation to be readily consulted by internal units and external entities overseeing controls.

In particular, internal control units and external control entities must have free access to data, documents and information necessary to carry out their activities. It is specifically prohibited to prevent or impede controls or statutory auditing overseen by internal and/or external control bodies.

Recipients must cooperate in the correct and timely registration of all operations in the accounts and must ensure that operations are represented correctly and promptly, so that the administrative/accounting system may achieve its aims. Recipients must promptly report errors or omissions in the process to record

operations in the accounts and conduct which does not conform to the rules of conduct set out in this document.

*Relations with internal and external Control Bodies*

The Company and its Operating Bodies base their own relations with Control Bodies on the utmost diligence, professionalism, transparency, cooperation, availability and full compliance with their institutional role, specifically and promptly meeting any requirements and obligations.

Data and documents are made available promptly, in a way which is clear, objective and exhaustive, so as to provide accurate, complete, truthful information, avoiding and in any case reporting, in a suitable manner, situations of conflicts of interest.



## **Rules for implementing the rules of conduct**

The Compagnia and its Operating Bodies inform Recipients of the provisions in this document and take action to disseminate the rules of conduct also through training initiatives. The Compagnia and its Operating Bodies also ensure compliance with the rules of conduct, as well as updates to this document, in relation to needs that may arise if the context and reference scenario change (for example concerning the internal organisation, laws).

## **Reporting**

The Compagnia and Operating Bodies have specific channels for Recipients to send reporting to the Surveillance Body, protecting the integrity of the Compagnia and Operating Bodies, on unlawful conduct, which is significant pursuant to Legislative Decree 231/2001 and based on specific, concordant facts, or on violations of the Model (of which this Protocol is an integral part) and/or rules of conduct in the Model which come to their knowledge while carrying out their functions.

In particular, reporting shall be made in writing directly to the SB, sending a closed envelope to:

Organismo di Vigilanza della Compagnia di San Paolo  
C.so Vittorio Emanuele II 75  
10128 Turin

or alternatively by email to

[odv@compagniadisanpaolo.it](mailto:odv@compagniadisanpaolo.it)

The channels adopted to send reporting are suitable for guaranteeing the confidentiality of the reporting body during activities to manage the reporting, and

reporting may only be accessed by members of the SB, that undertake to use the information only for the monitoring and control purposes of their function.

The SB assesses reporting received and carries out further investigations, consulting the reporting party and/or person allegedly committing the violation, and justifying any refusal to proceed with an internal investigation in writing.

Reporting parties are protected from any direct or indirect form of reprisals, discrimination or penalisation, for reasons related directly or indirectly to the reporting, save for legal obligations and the protection of the rights of the Compagnia and its Operating Bodies or persons that are wrongly accused and/or accused in bad faith.

Sanctions are administered pursuant to the current Disciplinary system in the case of violations of measures to protect reporting parties, and in relation to malicious or negligent reporting that is unfounded.

## **Violations of the rules of conduct and sanctions**

The Compagnia and its Operating Bodies will administer sanctions, in a consistent, impartial and uniform manner, that are proportionate to violations of the rules of conduct and conform to regulations in effect on employment.

The failure of Recipients to observe the rules of conduct will result in sanctions that will vary depending on the role of the Recipient involved, save for the possibility to claim compensation for damages resulting from said failure.