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# **Organisation, Management and Control Model**

**as per Legislative Decree 231/01**

## **Part I – General Outline**

Rome, November 2023

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## Part I – General outline

### 1 Introduction

#### Structure of the Model

This document describing Banca UBAE S.p.A. Model covers the following aspects.

- **Part I – General Outline:** the general outline of the Model describes:
  - responsibility for approval, transposition and adaptation of the Model;
  - main features of the internal control systems;
  - roles and responsibilities of control functions and other Bank units;
  - addressees of the Model;
  - map of Bank activities susceptible to the risk of committing unlawful acts;
  - Code of Ethics;
  - communication and dissemination of the Model and Code of Ethics;
  - control protocols;
  - methods for informing and training Employees;
  - methods for informing third parties;
  - Disciplinary System;
  - composition, function and powers of the Oversight Body;
  - information flows to the Oversight Body.
- **Part II – Unlawful Acts contemplated by Legislative Decree 231/01:** Part II illustrates the types of unlawful act that, if committed in the interest or to the advantage of the Bank, may give rise to administrative liability of the latter, as prescribed by Legislative Decree 231/01.
- **Part III – Map of Bank Activities susceptible to the risk of committing unlawful acts:** Part III indicates Bank activities that are susceptible to the committing of unlawful acts contemplated by Legislative Decree 231/01 and subsequent additions and amendments. The corresponding Bank procedures and units are indicated for each sensitive process.
- **Part IV – Control protocols:** Part IV comprises control protocols for the unlawful acts contemplated by Legislative Decree 231/01.

#### 1.2 Definitions

Hereinafter the following expressions used in this document and the relative appendices and attachments shall have the meaning indicated below:

- **“ANAC”:** National Anti-Corruption Authority;
- **“Authority”:** Judicial Authority, national and foreign Organisations and Public Administrations, Italian Securities and Exchange Commission (Consob), Banca d'Italia, Antitrust Authority, Italian Stock Exchange, Unity of Financial Information, Italian Data Protection Authority, Public Works Supervisory Authority and other national and foreign supervisory authorities;
- **“Activities of the Company susceptible to the risk of committing unlawful acts”:**

operation or act that exposes the Bank to the risk of committing any of the Unlawful Acts contemplated by the Decree;

- **"Self-employed workers"**: individuals whose employment relationship with the Bank is on a self-employed basis referred to in Title III of Book V of the Civil Code, including the persons indicated in Chapter I of Law no. 81 of 22 May 2017;
- **"Bank"**, or **"Company"**: Banca UBAE S.p.A.;
- **"Candidates"**: individuals who participate in a selection process for a job position at the Bank;
- **"NCLC"**: National Collective Labour Contract covering banks, financial and instrumental organisations;
- **"Code of Ethics"**: code defining the rights and duties, including moral ones, and internal and external responsibilities for all individuals and bodies operating within the Bank, that aims to state recognized and agreed values and conduct, also to prevent and block possible unlawful acts contemplated by Legislative Decree no. 231 of 8 June;
- **"Independent contractors"**: the parties who work with the Bank as independent contractors referred to in article 409 of the code of civil procedure and article 2 of Legislative Decree no. 81 of 2015;
- **"Advisors"**: parties who have contractual relationships with the Bank relating to the provision of advisory services;
- **"Legislative Decree 231/01"** or **"Decree"**: Legislative Decree no. 231 of 8 June 2001, concerning the *"Regulation of administrative liability of corporations with legal personality, companies and associations, regardless of whether they have legal personality, implementing powers conferred by art. 11 of Law no. 300 of 29 September 2000"*, published in the Official Gazette no. 140 of 19 June 2001 and subsequent additions and amendments;
- **"Legislative Decree no. 24/2023"** or **"Whistleblowing Decree"**: Legislative Decree 10 March 2023, no. 24 on *"Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 concerning the protection of persons reporting breaches of Union law and containing provisions concerning the protection of persons reporting breaches of the provisions set out in national regulations"*, published in Gazzetta Ufficiale no. 63 dated 15 March 2023;
- **"Addressees"**: Shareholders, Directors, Members of Board of Auditors and Oversight Body, Employees and collaborators of the Company;
- **"Employees"** or **"Staff"**: all individuals who have a contract of employment with the Bank, including executives and members of the General Management;
- **"Public Disclosure"**: the act of revealing information on breaches in the public domain through the press or electronic means or in any case through means of dissemination capable of reaching a large number of people;
- **"Facilitators"**: the natural persons who assist a reporting person in the reporting process, operating within the same working context and whose assistance must be kept confidential;
- **"Suppliers"**: parties, both public and private, who have contractual relationships with the Bank concerning the supply of goods or the provision of services;
- **"Self-employed professionals"**: parties, other than Advisors, who have contractual relationships with the Bank relating to the provision of services of an intellectual nature;
- **"Guidelines"**: guidelines issued by ABI (Italian Bankers Association) for preparing organisation, management and control models in observance of Legislative Decree no. 231 of 8 June 2001;

- **“Model”**: the organisation, management and control model designed and implemented by the Bank to prevent unlawful acts as indicated in articles 6 and 7 of Legislative Decree no. 231 of 8 June 2001 (as divided in General Outline and related Special Outlines, include the Code of Ethics and any other policy and/or rule and procedure, instruction or services communication etc, contemplated therein);
- **“Corporate Bodies”**: Board of Directors, Executive Committee and Board of Auditors;
- **“Oversight Body”**: a “control unit” prescribed by art. 6 of Legislative Decree no. 231 of 8 June 2001, with autonomous powers of initiative and control, that has the task of supervising the functioning and observance of the organisation, management and control model, and also has the responsibility for updating the latter;
- **“P.A.”**: national and EEC bodies of the public administration, including relative officials and civil servants;
- **“Sensitive Prozesse”**: process which is susceptible to the risk of committing unlawful acts; these are processes in which the phases, sub-phases or activities that could potentially give rise to the conditions, occasions or means to commit unlawful acts, also in a way that is instrumental to effectively committing the unlawful act in question;
- **“Protocol of control”**: document that provides, for the unlawful act/s listed in Legislative Decree no. 231/2001, the representation of all the organisational and informatics products set in the Bank processes and inspired to the general principles of the Model;
- **“Outsourcer”**: body to whom the Bank has fully or partially outsourced activities falling within its own area of operations;
- **“Reporting person”**: the natural person who reports or publicly discloses information on breaches acquired within their work context;
- **“Person concerned”**: the natural or legal person mentioned in the internal or external whistleblowing report or in the public disclosure as the person to whom the breach is attributed or as a person otherwise implicated in the breach reported or publicly disclosed;
- **“Unlawful Acts”**: unlawful acts to which Legislative Decree no. 231/2001 is applicable (as subsequently amended and integrated);
- **“Internal Controls System” or “ICS”**: Internal controls system adopted by the Bank further to matters indicated in Banca d'Italia supervisory authority instructions;
- **“Disciplinary System”**: set of punitive measures applicable in the event of violation of the Model;
- **“Whistleblowing report”**: the written or oral communication of information regarding breaches committed or likely to be committed in the organisation with which the reporting person has a legal relationship. Unless expressly specified, Reports mean both reports pursuant to art. 52-bis of the Consolidated Banking Act (TUB) and the reports pursuant to Legislative Decree 24/2023;
- **“External report”**: the whistleblowing report submitted via the external reporting channel set up by the ANAC;
- **“Internal report”**: the whistleblowing report submitted through the internal reporting channel set up by the Bank (in written form through the Application or, in the cases indicated below, ordinary mail and in oral form through a meeting with the Oversight Body);
- **“Key Parties”**: the Board of Directors, Chairman, Executive Committee, General Manager, Deputy General Manager in addition to all parties who have been delegated powers directly by the Board of Directors.
- **“Consolidated Banking Act/TUB”**: Legislative Decree 1 September 1993, no. 385 containing the “Consolidated text of laws on banking and credit matters”, published in Gazzetta Ufficiale no. 230 dated 30 September 1993 and subsequent amendments and additions.

## Content of Legislative Decree no. 231 of 8 June 2001 and relevant regulations

Legislative Decree no. 231 was promulgated on 8 June 2001 – in execution of powers conferred by art. 11 of Law no. 300 of 29 September 2000 – and came into force on the following 4 July. The aim of the Decree was to adapt internal regulations concerning the responsibility of corporations with legal personality to certain international agreements that Italy had already for some time agreed to comply with.

For the first time in Italy Legislative Decree 231/01 relating to the *"Regulation of administrative liability of corporations with legal personality, companies and associations, regardless of whether they have legal personality"* introduced a specific form of liability for the bodies concerned as regards certain Unlawful Acts committed in the interest or for the advantage of such bodies by parties empowered to represent, administer or manage them. This also applies to organisational units of the said bodies vested with financial and functional autonomy, as well as to individuals who also, de facto, exercise the management and control of the latter and, lastly, individuals subject to the management or supervision of one of the bodies indicated above. These liabilities are in addition to those of natural persons who perpetrate Unlawful Acts.

Punishment of certain criminal offences<sup>1</sup> covering the new liability introduced by the Decree also includes the assets of the body that has gained an advantage by committing the Unlawful Act. Furthermore, a pecuniary penalty is always foreseen to punish the committing of an Unlawful Act. For more serious cases prohibitive measures are also foreseen such as the prohibition to conduct business activities, the suspension or revocation of permits granted, the prohibition to make contracts with the Public Administration (except of obtaining public services facilities), the revocation of financing and grants, the prohibition to advertise goods and services.

Note that art. 6 of the Decree establishes that bodies are not subject to administrative liability if they can show that they had adopted and effectively implemented *"appropriate organisation and management models to prevent unlawful acts of the type in question"* before committing the fact.

The same norm also foresees that the body concerned introduces a "control unit" (within the Bank denominated the Oversight Body) that has the task of supervising the functioning, effectiveness and observance of the aforesaid Model in addition to the task of updating it.

The Model must meet the following requirements:

- identify activities within which Unlawful Acts foreseen in the Decree could be committed;
- foresee specific protocols for planning training and implementation of the decisions taken by the body concerned as regards Unlawful Acts to be prevented;
- identify appropriate methods for managing financial resources in order to block the committing of such Unlawful Acts;
- foresee the obligation to provide information to the "control unit" assigned to supervise the functioning and observance of the Model;
- introduce an appropriate Disciplinary System to punish failure to respect measures indicated in the Model.

If an Unlawful Act is committed by parties whose role is to represent, administer or manage the body or one of its organisational units vested with financial and functional autonomy, as well as individuals who also, de facto, exercise the management and control of the latter (so-called Key Parties), the body is not liable if it can prove that: (i) the management unit had adopted and effectively implemented an appropriate organisation and management model to prevent Unlawful Acts of the type in question before committing the fact; (ii) the task of supervising the functioning and observance of models and responsibility for updating them has been assigned within the body to a "control unit" vested with autonomous powers to

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<sup>1</sup> For a more detailed description of offences and crimes foreseen in the Decree see **"Part II – Offences foreseen in Legislative Decree 231/01"**

control and take action; (iii) there has not been insufficient supervision or a failure to supervise the models by the “control unit”; (iv) parties have not committed the Unlawful Act by fraudulently eluding the models.

Instead, if the Unlawful Act has been committed by parties subject to the management or supervision of a Key Party, the body will be liable to respond for the Unlawful Act if committing it was made possible because of the failure to observe management and supervisory obligations. This non-fulfilment is, in any event, excluded if before committing the Unlawful Act the body had adopted and effectively implemented appropriate models to prevent Unlawful Acts of the type that has occurred, according to an evaluation that must by necessity be a priori.

### **Guidelines issued by ABI**

In preparing this document the Bank, as a member of ABI (Italian Bankers Association), has taken into account the Guidelines issued by the latter.

It should be understood that any divergence of the Model adopted by the Bank from certain specific indications in the Guidelines in no way affects the basic correctness and validity of the Model. In fact, the Guidelines by their very nature indicate general principles, whereas the Model has been prepared with reference to the Bank's effective situation.



## **2 Responsibility for approval, transposition and adaptation of the Model**

In accordance with art. 6, comma 1, lett. a) of the Decree, adopting the Model and effectively implementing it falls within the competency of and is issued by the “management body”. In the case of the Bank, the Board of Directors is the body responsible for approving and transposing this Model based on a specific resolution. The principles and operating rules of the Model supplement the more general organisational model currently in force at the Bank.

Each successive amendment of or addition to the Model (except of what specified hereinafter with regard to the Protocols of Control – Part IV of the herein Model) is made based on a resolution of the Board of Directors after consulting the Board of Auditors.

Furthermore, the Board of Directors has the task of:

- defining/ updating the Model guidelines so that analyses to verify the handling of the main potential Unlawful Acts concerning the Bank are correctly addressed and supervised;
- defining/updating management strategies and policies for each potential Unlawful Act, establishing a framework of standards and limits for risk-taking by the Bank;
- assigning the General Manager adequate powers and means in order to prepare and keep updated the Bank’s Model.

The adoption and the subsequent amendments/implementations/revisions of the Protocols of Control are General Manager’s duty, after have been heard the Board of Auditors.

Moreover, the General Manager is responsible for implementing the guidelines established by the Board of Directors by issuing specific instructions to the Bank’s relevant operating units. The latter must create the necessary supervisory set-up for each potential risk within their area of competency by defining:

- formal procedures for all processes which are susceptible to the risk of committing an Unlawful Act, ensuring that it is identified, managed and controlled;
- periodic information flows enabling verification of conformity with regulations and that the relevant objectives are being pursued;
- tasks and responsibilities of the control functions.

With reference to the “requirements” identified by the legislator of the Decree and further detailed by ABI in its Guidelines, the Board of Directors believes that the activities listed below must be carried out and updated as and when necessary in order to evaluate the existing Model:

- identification of areas within the Bank’s operations subject to the provisions of the Model and creation of a detailed mapping of Activities of the Company in which there exists the risk of committing an Unlawful Act, that must be subject to monitoring and analysis;
- analysis of existing Protocols with reference to Activities of the Company subject to the risk of committing an Unlawful Act and the definition of possible measures aimed at ensuring conformity with the provisions of the Decree. In this context, specific attention must be given to:
  - defining ethical principles relating to conduct that may amount to committing the types of Unlawful Act contemplated by the Decree;
  - defining Bank processes within which the conditions, occasions or means to commit Unlawful Acts could possibly arise;
  - defining Staff training methods;
  - defining the informative report to be provided to other third parties with whom the Bank comes into contact;

- definition and application of appropriate disciplinary instructions to act as a deterrent and punish failure to respect the measures indicated in the Model;
- identification of the Oversight Body and vesting this with the specific task of supervising the effectiveness and correct functioning of the Model;
- definition of information flows from and to the Oversight Body;
- identification within the Body's organisation of parties to be considered as being in key positions or who are subject to supervision by Key Parties;
- introduction of appropriate measures to prevent attempts by Key Parties to fraudulently elude the Model;
- definition of units and Sensitive Processes, ensuring they are updated in the event of significant changes in the Body's organisation.

Based on the provisions of art. 6, comma 1, lett. b) of the Decree the Board of Directors and the Oversight Body are responsible for the task of supervising the updating the Model in the event of addition of further Unlawful Acts or needs to update the Model that may become necessary from time to time. With regards to the protocols of the Special Outlines, these tasks are in charge of the General Manager.

The Board of Directors is responsible for implementing the Model, with the support of the Oversight Body.

### **Components of the Organisation, Management and Control Model**

In accordance with the provisions of the Decree the Model comprises the following:

- **Map of the Activities of the Company susceptible to the risk of committing Unlawful Acts:** this map associates the Unlawful Acts contemplated by the Decree with the Bank's activities that are most susceptible to committing the latter (with reference to "Part III – "Map of Bank activities susceptible to the committing of Unlawful Acts" concerning the Model).
- **Code of Ethics:** contains ethical principles and values that are the foundation of the Bank's culture and management philosophy, including the main rules of conduct to be observed while carrying out prescribed tasks and in relations internally within the Bank and with external parties.
- **Disciplinary System:** defines disciplinary actions to be imposed on parties (Employees or third parties) for violations of the Bank's rules, Protocols of Control and, in general, other elements of the Model.
- **System of delegation and powers:** defines the Bank's organisation in terms of units, responsibilities and activities according to a set-up inspired by the principle of functional separation and contraposition of interests; furthermore, it defines powers assigned by the Bank and relative delegation consistent with the principles of separation of responsibilities defined at the organisational set-up level.
- **Communication and training plan:** identifies communication activities towards all of those affected by the main rules and instructions foreseen in the Model adopted;
- **Role and operation of the Oversight Body:** the body vested with supervising the functioning and observance of the Model adopted, in addition to ongoing updating based on organisational developments within the Bank and as regards regulations in force;
- **Information flows:** represent ongoing and periodic forms of communication concerning exhaustive, timely and accurate information provided to the Oversight Body, in relation to competencies for management and control, appropriate to enable each Bank body/unit to have available the necessary information to carry out its respective tasks in an informed and effective manner;
- **Control Protocols:** the formal and procedural requirements (so-called procedures) that the Bank

has adopted in order to plan the preparation and implementation of decisions that addressees of the Model must observe in order to prevent the risk of committing the Unlawful Acts concerned. There are control Protocols for each potential Unlawful Act prescribed by the Decree (with reference to individual control Protocols that constitute “Part IV – Control Protocols” of the Model).

### **3 Main features of the Internal Control System**

The Internal Control System involves all areas of the Bank’s activities and makes a distinction between operational and control tasks, so diminishing possible situations of conflict of interest. In particular the controls involve, in terms of roles and at different levels, the Board of Directors, Board of Auditors, General Management, Level I (line units controls), Level II (Risk Management, Compliance and Anti-Money Laundering) and Level III (Internal Auditing also in support of the Board of Auditors in the role of Oversight Body) control functions and represent an indispensable feature of the Bank’s daily activities.

It was, moreover, necessary that models foreseen by the Decree, while recognizing that each has a specific aim, were integrated within the Bank’s more comprehensive ICS so that this existing system could, with possible adjustments, also be used for the purpose of preventing Unlawful Acts contemplated by the Decree.

However, in recognition of the Bank’s primary needs to ensure conditions of probity and transparency in conducting its business and activities, and to safeguard the Bank’s position and image, the expectations of Shareholders and the work of its Employees, the Board of Director adopts this Model in the conviction that its effective implementation not only allowed the Bank to benefit from the exemption foreseen in the Decree but also improved, within the limits foreseen in the latter, the Bank’s Corporate Governance by limiting the risk of committing Unlawful Acts.

The scope of the Model was to prepare a structured and organized system of procedures and control activities (both preventive and *ex post*) to ensure the informed management of the risk of committing Unlawful Acts by first identifying Sensitive Processes and then by preparing appropriate procedures. These activities allowed:

- a possible author of an Unlawful Act to be fully aware of both the types of risk of committing an Unlawful Act and the Bank’s strong disapproval of such conduct, deemed to be against the Bank’s interest even when apparently it could gain an advantage;
- the Bank to react quickly to prevent/block the committing of any Unlawful Act thanks to constant monitoring of activities.

The following sections contain a detailed illustration of the Model’s qualifying factors that the Bank and its Board of Directors believed to be ineluctable in order to effectively implement an appropriate Model to prevent the committing of Unlawful Acts contemplated by the Decree.

### **4 Roles and responsibilities of control functions and other Bank units**

The following roles and control tasks form part of the Bank’s ICS, in conformity with the framework of levels in the Supervisory Instructions for Banks (Circular no. 263 dated 27 December 2006 – 15th update of 2 July 2013):

- First level: Line unit controls (performed by line units themselves);
- Second level: Risk Management function, Compliance & Anti-Money Laundering function;
- Third level: Internal Audit function.

The heads of level II and III functions must meet the requirements for such functions foreseen in the regulation. Independence, in particular, is guaranteed by possibilities to inform directly the General Management and Corporate Bodies, and by the separation from line units that take the risk and that are subject to investigation.

#### *4.1.1 Internal Audit function (third level controls)*

In general the Internal Audit function ensures a constant and independent watch over the Bank's normal operations and activities in order to prevent or immediately note unusual or risky conduct or situations, evaluating the functionality of the overall ICS.

It performs its activities based on the provisions of its own internal regulation in accordance with dispositions found in the Bank's Functional Chart.

Internal Audit verifies that organisation units, processes and controls are appropriate to ensure the correct performance of operations associated with the Activities of the Company.

With specific reference to risks of administrative liability introduced by the Decree, the Internal Audit function provides support for the Oversight Body's own control activities. In particular, by means of periodic audits, Internal Audit supervises the functioning and observance of the Model, that is, it supervises the adequacy of procedures, processes and controls to ensure the Activities of the Company are performed in a correct manner.

#### *4.1.2 Risk Management function (second level controls)*

The Risk Management function is responsible for various activities, the common aim of which is to provide information based on which the Bank plans its strategies and analyses of risk/yield profiles.

The Risk Management function is competent for all activities concerning the problem of the Bank's risks:

- it supports the process of identifying and evaluating risks present in the Bank's various activities in order to check and, if necessary, strengthen the controls foreseen as regards such processes;
- it verifies the functioning of the risk management system with the aim of ensuring that the system set-up is capable of guaranteeing that risks assumed during operations within the context of Sensitive Processes are monitored;
- it defines controls to ensure monitoring of risks assumed during operations within the context of Sensitive Processes.

It performs its activities based on the provisions of its own internal regulation in accordance with dispositions found in the Bank's Functional Chart.

#### *4.1.3 Compliance & Anti-Money Laundering function (second level controls)*

Within its area of competency the Compliance and Anti-Money Laundering function takes steps to ensure that on an ongoing basis there are operating rules, procedures and practices in place that are capable of effectively preventing violations and infringements of the regulations in force.

It verifies that processes, procedures and controls concerning activities within the context of the Activities of the Company susceptible to the risk of committing Unlawful Acts are appropriate to guarantee supervision of non-conformity risk.

It performs its activities based on the provisions of its own internal regulation in accordance with dispositions found in the Bank's Functional Chart.

Specifically with reference to the Decree:

- it verifies conformity of procedures, processes and controls based on their ability to guarantee supervision of non-conformity risk in line with developments of the regulations, submitting to the Oversight Body, in case of effective discrepancy, amendments to the Model, with the support of the Functions eventually interested;
- it reports on activities normally performed to the Oversight Body or provides specific information based on requests made by the latter.

With regards to the anti-money laundering subject, the Compliance and Anti-Money Laundering, in

accordance with the Oversight dispositions, is in charge of specific control activities against the anti-money laundering and counter terrorism financing, according to the tasks arose by the regulatory dispositions and in compliance with the Bank's organisational procedures.

Particularly, it verifies:

- in a continuative way, the grade of accurateness of the Bank's organisational asset and its conformity with the law and it oversees of the functionality of the entire Internal Control System;
- periodically, the alignment between the various management sectorial accounting procedures and the one referred to the Centralize Computer Archive;
- through systematic controls even if inspective:
  - the ongoing respect of customers due diligence, both in the phase of beginning of the relationship and in its development;
  - the effective acquisition and the correct storage of data and prescribed documents;
  - the right mode of operation of the Centralize Computer Archive;
  - the effective grade of involvement of the Employees and Collaborators as well as the heads of the central and peripheral structures, in the realization of the duty of "active collaboration".

#### *4.1.4 Legal function*

The Legal function is responsible for all legal matters involving the Bank, with the sole exception of the matter related to job, pension and tax law.

It performs its activities in accordance with dispositions found in the Bank's Functional Chart.

Specifically with reference to the Decree:

- it monitors developments in the regulations and present to the Oversight Body a proposal of update to the Model (Part I – General outline and Part II – Unlawful Acts contemplated by the Decree D.Lgs.231/01);
- it informs the Organisation Function Regulatory Development Department whenever new Unlawful Acts are introduced so as an update to the Model, including the Bank's Sensitive Process Matrix covering potential Unlawful Acts and relative Protocols, may be made based on an analysis of the impact on the Bank's processes.

#### *4.1.5 Organisation function (organisation development and regulatory control)*

In order to better supervise the consistency of the organisational structure and governance mechanisms with the objectives pursued by the Model, it is the responsibility of the Organisation Function to:

- define the organisation structure indicating missions, organisation chart and functions based on instructions given by General Management as indicated by the Board of Directors;
- define rules for the planning, official recognition and management of organisational processes;
- support planning of organisational processes, namely, validate procedures established by other functions to ensure they are consistent with the overall organisation plan;
- provide support to the line organisation units that need to define information flows to the Oversight Body;
- adequate the Bank's regulatory system (after the amendments of the imperative law, the Bank's organisational asset and/or of the operative procedures) on the basis of dispositions issued by the General Management on directions of the Board of Directors;
- on the basis of the dispositions issued by the Oversight Body (after the amendments of the

imperative law, the Bank's organisational asset and/or of the operative procedures, relevant as per the Decree), update the Model with the support of the Legal Function, the Compliance and Anti-Money Laundering Function and the Human Resources Division, as well as, broadly, of the Bank units that, for their areas of competence, are involved in the necessary updating activity;

- disseminate the internal regulations to all Bank units through the Intranet network;
- based on the informative made by the Legal Function, in accordance with paragraph 4.1.4, update the Sensitive Process Matrix covering potential Unlawful Acts and the relative Protocols of Control, and analyse the related impact on Bank's processes.

#### *4.1.6 Line organisation units*

Line organisation units are responsible for the execution, proper operation and effective, ongoing application of processes and controls.

They are required to observe the provisions of the Bank's Functional Chart performing their activities.

Specifically, as regards the Decree, line organisation units shall:

- review, in the light of the principles of conduct and control requirements prescribed to regulate Sensitive Processes (in the Code of Ethics, Protocols of Control and, in a broader sense, in the Model), processes within their area of competence in order to render them appropriate to prevent unlawful conduct;
- advise the Oversight Body of any irregularities or conduct not in conformity with the Model and in the Code of Ethics;
- implement (with the Organisation Function's support) the actions reported.

In particular, line organisation units involved in Sensitive Processes shall constantly and with extreme care verify and report to the Oversight Body and remedy (with the Organisation Function's support) any shortcomings in the regulations or procedures that could foreseeably give rise to risks of committing Unlawful Acts in activities within their area of competence.

## **5 Addressees of the Model**

Addressees of the Model are parties identified by the Bank that are subject to controls, Protocols of Control and mandatory reporting requirements prescribed by the Model itself and whose conduct could give rise to administrative liability for the Bank. In terms of this document the following are specifically considered Addressees of the Model:

- the shareholders;
- Chairman of the Board of Directors;
- executive, non-executive and independent directors;
- members of the Board of Auditors;
- members of the Oversight Body;
- Employees;
- associates (namely, those who act in the name of and/or for the account of the Bank based on a power of attorney/proxy or other form of cooperation).

In preparing this Model a necessary analysis was made of all Bank organisation units, the main types of risk/Unlawful Act and possible ways in which these could arise or occur.

In order to identify the Activities of the Company susceptible to the risk of committing Unlawful Acts, the starting point was to establish the area of application as regards the subjective requirements of the Decree.

In particular, parties were identified whose unlawful conduct could give rise to a liability for the Bank.

In greater detail:

- the Board of Directors and General Management, including parties delegated powers directly by the former, are considered to be parties in key positions as prescribed in art. 5, para. 1, lett, a) of the Decree;
- other Employees operating under the management or supervision of one of the above parties are included among the parties prescribed in art. 5, para. 1, lett, a) of the Decree.

With reference to the existence of subjective requirements for application of the rule in question to also include parties outside of the Bank's organisation but with whom the Bank has a stable, ongoing relationship, it is important to establish if, as regards these parties, the Bank has:

- powers to establish policy, namely, that the Bank has the right to give specific and binding orders and directives concerning the execution of the task assigned and the methods for carrying it out;
- powers to control the various phases of performing the work concerned;
- powers to reprimand and censure.

In specific terms, are not included as Addressees of the Model the Outsourcers, professionals, consultants and suppliers that are not subjected to powers of management and supervision of a Key Party.

Nevertheless, by way of contractual agreements, these subjects shall respect the Code of Ethics, of which contents they have to be made aware, as well as the specific Bank's procedures applicable at all times.

## **6 Map of Activities of the Company susceptible to the risk of committing Unlawful Acts**

With the purpose of:

- identification of organisation units that, in consideration of the tasks and responsibilities assigned to them, could potentially be involved in Activities of the Company susceptible to the risk of committing Unlawful Acts;
- identification of the main types of risk/Unlawful Act, outlining how such potential illegal conduct could arise or occur.

It had been conducted a mapping activity on the Activities of the Company susceptible to the risk of committing Unlawful Acts, which results are shown in the Risk/Unlawful Act Matrix included in Part III of this Model. A description of the occasions and ways illegal conduct could arise or occur is described in more detail in the evaluation file for each Bank function.

## **7 Code of Ethics**

The Board of Directors has approved and subsequently updated the UBAE Code of Ethics and Conduct over time.

It should be stated that the Code of Ethics has a broad scope inasmuch as it contains a series of principles representing the “ethical conduct” the Bank has adopted and that it intends shall be observed by all Employees and all those who, even outside of the Bank, cooperate in furtherance of the Bank’s mission.

The Bank is committed to the effective dissemination, both internally and to parties that cooperate with the Bank, of information concerning the regulatory requirements and the rules of conduct and procedures to be observed in order to ensure that the Bank’s activities are performed in conformity with its ethical principles.

The Code of Ethics is updated periodically to reflect both new legislation and as a result of changes in the Bank’s operations and/or its internal organisation.

## **8 Methods for communicating and disseminating the Model and Code of Ethics**

The Model is published in the following manner:

- for the first edition and after each update:
  - ✓ sent an internal circular to all permanent Employees by e-mail;
  - ✓ sent by letter or e-mail to the Addresses;
- on an ongoing basis:
  - ✓ through the Bank Intranet in a form that can be downloaded and printed locally.

The Code of Ethics is published in the following manner:

- for the first edition and after each update:
  - ✓ sent by internal circular to all Employees;
  - ✓ sent by letter, e-mail or manual delivery to parties that have relationships with the Bank, of the communication contains references to the website address of the Bank, where taking knowledge of the Code of Ethics;
- on an ongoing basis:
  - ✓ on the Bank’s Internet site in a form that can be downloaded and printed locally.

When hiring permanent or other categories of Employee, the Human Resources Division delivers a copy of the Model (limited to Part I – General Outlines) and Code of Ethics to those individuals who are hired, obtaining a receipt for this.

## **9 Control Protocols**

Mapping the Activities of the Company susceptible to the risk of committing Unlawful Acts has enabled identification of activities and relative potentially Sensitive Processes for unlawful conduct.

In this regard, it is absolutely essential that all the Bank’s Sensitive Processes conform to the following



general principles:

- separation of tasks by means of a correct distribution of responsibilities and foreseeing adequate authorization levels in order to avoid functional overlapping or allocation of operations that concentrate critical activities on one party;
- clear, formalized assignment of powers and responsibilities, with express indications of associated limits of the related powers consistent with tasks attributed and positions covered within the organisational structure;
- existence of appropriate rules of conduct to ensure the Bank's activities are performed in conformity with the law and regulations in force and in a manner that preserves the integrity of the Bank's assets;
- establish procedures for Activities of the Company susceptible to the committing of Unlawful Acts in order to:
  - define and regulate the method and timing to perform the activities themselves;
  - guarantee the traceability of actions, operations and transactions by means of adequate documentary support attesting to the reason for and characteristics of the actions, operations, transactions concerned and identifying parties that, for various reasons, were involved in the latter (authorization, performance, recording, verification);
  - guarantee, where necessary, that decision processes are objective and limit Bank decisions taken based on subjective decisions, that is, decisions not linked to predefined, objective criteria (e.g. existence of certified suppliers, existence of objective criteria for assessing and selecting Staff, etc.);
- existence and documentation of control and supervisory activities performed as regards the Bank's transactions;
- existence of security mechanisms that guarantee adequate protection of/authorized access to the Bank's data and assets.

In order to evaluate the degree of consistency of Sensitive Processes identified vis-à-vis the principles indicated above, as well as the adequacy and completeness of the Protocols of Control, the Sensitive Processes shall be constantly subject of analysis.

Protocols of Control represent a series of organisational and computer-based checks established in the Bank's processes and inspired by the general principles outlined above, required in order to take and implement decisions that Addressees of the Model shall observe in order to prevent Unlawful Acts contemplated by the Decree.

The definitive list of the Protocols of Control provided by the Bank, on the purpose of prevent the Unlawful Acts contemplated by the Decree, is contained in Attachment 2.

## **10 Methods for training and informing Employees**

It is the Bank's objective to guarantee that both current Employees and those hired later have a complete knowledge and correct understanding of the Decree and obligations this implies. In order to implement the Model, training and information for the Staff is managed by the Human Resources Division in close coordination with the Oversight Body and with the heads of other functions from time to time involved in application of the Model.

Training and informative activities concern all Staff.

The main methods adopted for this training/informative activity, also required to ensure conformity with the provisions of the Decree, concern the specific background information given at the time of hiring and further activities deemed necessary to guarantee the correct application of provisions in the Decree. In particular this includes:

- an initial communication: the adoption of the Model and of the Code of Ethics, in accordance with provisions of the hereinabove art. 8, is put out to all the Bank's Staff. It remains understood that

this spread constitutes a presumption of knowledge and acceptance of the documents in question. New hires will be given an information package containing the NCLC, the text of the Decree, the ABI Guidelines, the Model (limited to Part I – General Outline) and the Code of Ethics, so ensuring that new Staff members have all the necessary preliminary information. New hires must sign the specific form confirming their awareness and acceptance of this package;

- a specific training activity: preparation of this ongoing training activity makes recourse to IT tools and procedures (the Bank Intranet, self-assessment tools) and meetings and seminars providing training and periodic updates. The content and method of providing training will differ depending on the role of the Addressees concerned, the level of risk in the area in which they operate and whether or not their function is empowered to represent the Bank.

### **Training for Key Parties and members of the Board of Auditors**

Training courses and updates - having as subject the administrative liability of the Body contemplated in the Decree - will be organized for Key Parties and members of the Board of Auditors, all of whom shall mandatorily attend and participate.

Training for the above must be divided into two parts: a general part and a specific part. The first part essentially concerns issues seen from the regulatory and legal points of view, covering more general aspects such as the aims of the Decree, types of responsibility, potential Unlawful Acts, types of penalty, etc.

Instead, the specific part covers issues in a more analytical and in-depth manner, transposing the individual normative requirements into regulations, control Protocols, examples of Unlawful Acts, etc.

### **Training for members of the Oversight Body**

In addition to the general and specific training content outlined above, the Oversight Body requires in-depth training on the following issues:

- independence, autonomy, continuity of action and professionalism, as fundamental requirements of the members of the same Body;
- relations with Corporate Bodies and internal control functions.

### **Training for Employees subject to supervision by Key Parties**

Training for Employees who are subject to the supervision of Key Parties in the field of Administrative liability of the Body contemplated in the Decree involves previously planned and structured training courses. Specific attention is given to new hires and Employees assigned to perform new roles, given that the terms of reference of their positions change. The fact that these courses are effectively held will be verified by the Oversight Body.

The content and structure of these training activities are essentially the same as those already indicated for Key Parties, adjusted based on different positions within the hierarchy and function performed.

## **11 Method for informing third parties**

Third parties who have relations with the Bank are made adequately aware about the publication, on the Bank's website, of the Code of Ethics and appropriate information concerning the consequences of failure to respect the principles contained in the Code itself.

Whenever possible specific clauses along the following lines are included in contracts in order to discipline the above mentioned consequences: *"By subscribing the herein contract, the*

*[Supplier/Consultant/Collaborator/Financial Promoter/Procurator] declares to have taken knowledge of the Code of Ethics adopted by the Bank on its website and to accept the related contents and, consequently, engages him/herself, during the execution of his/her activity, to observe the prescriptions therein contemplated.*

*Parties agrees, moreover, that if amendments shall be made to the Code of Ethics, shall be duty of the Bank to inform the [Supplier/Consultant/Collaborator/Financial Promoter/Procurator] that, by subscribing the herein agreement, engages itself, nunc pro tunc, to take vision on the Bank's website of the Code of Ethics and to act in compliance with it. It remains understood between the Parties that the violation of the principles of the Code of Ethics will allow the Bank to terminate the herein contract in accordance with article 1456 Italian Civil Code and to act for the reimbursement of the suffered damages.*

## **12 Disciplinary System**

In compliance with art. 6, paragraph 2, letter a) of the Decree, the Bank is provided with a specific Disciplinary System applicable in the event of violation of the rules established in the Model. This Disciplinary System applies to and the Addressees of the Model and to third parties who have relationships with the Bank, and establishes appropriate sanctions of a disciplinary nature on the one hand and of a contractual/legal nature on the other.

Application of the Disciplinary System and relative penalties is independent of any criminal proceedings and outcome pursued by the Judiciary Authorities in the event that the conduct in question should be considered a significant Unlawful Act as prescribed by the Decree.

In order to establish in advance criteria associating violations with disciplinary measures adopted, the actions and conduct of Directors, Employees and third parties who have relationships with the Bank are classified as:

- conduct concerning the violation of orders given either in writing or verbally by the Bank, such as: violation of internal procedures, conduct not in conformity with the Code of Ethics, adopting conduct not in conformity with the provisions of this document when performing an activity in areas susceptible to the committing of an Unlawful Act;
- conduct concerning a serious violation in terms of discipline and/or diligence at work that radically undermines the Bank's trust in the Director and/or Employee, such as: deliberately adopting conduct not in conformity with the provisions of this document and the Code of Ethics when performing an activity in areas susceptible to the committing of an Unlawful Act prescribed by the Decree;
- conduct able to provoke serious material damage to the Bank or to its image that makes it impossible to continue the relationship, even temporarily, such as: conduct clearly not in conformity with the provisions of this document and the Code of Ethics when performing an activity in areas susceptible to the committing of an Unlawful Act that effectively lead to the application of measures against the Bank as prescribed by the Decree.

Violations solely concerning the Bank's Code of Ethics and any penalties that might apply are subject to the provisions of the Code of Ethics itself.

Vice versa, violations of the Model that are inherently violations of the Code of Ethics will only be subject to disciplinary measures prescribed by this Model and relative specific penalties.

### **Penalties for Employees**

As regards Employees the Decree prescribes that the Disciplinary System shall be in line with the limits for powers to punish prescribed by art. 7 of Law 300/1970 (so-called Statute of Employees) and the NCLC, both with reference to penalties imposed and how such powers are exercised.

It should be noted that, as regards the latter point, the Bank may suspend an employee without cancelling payment of emoluments during the course of disciplinary proceedings.

The Disciplinary System currently applied by the Bank is in line with the provisions of the NCLC in force and would appear to include the prescribed requirements as regards effectiveness and deterrence.

Failure to respect and/or violation by Employees of the Model's general principles, rules of conduct imposed by the Code of Ethics and the Bank's procedures constitute non-fulfilment of obligations deriving from the employment relationship and are subject to disciplinary measures.

It is understood that in imposing a penalty the principle of correspondence between disciplinary measures that can be imposed and the case in point they refer to must necessarily be in conformity with the principle of proportionality between violation and penalty.

Penalties shall be imposed by the Human Resources Division based on justification reported by the Oversight Body.

### **Measures applicable to executives**

In the event executives violate the Model's general principles, rules of conduct imposed by the Code of Ethics and the Bank's procedures, the Bank shall take such steps it believes to be appropriate based on the violation committed and also in consideration of the trust underlying the employment relationship between the Bank and Employees in an executive role.

In the event that conduct of an executive falls within cases foreseen in the second and third points indicated at Article 12, based on indications given by the Oversight Body the Board of Directors or Executive Committee may proceed to the early termination of the relative employment agreement.

### **Measures applicable to Directors**

In the event of violation of regulations in force, the Model or Code of Ethics by the Bank's Directors, the Oversight Body shall inform the entire Board of Directors and Board of Auditors so that the necessary steps can be taken given the case in point.

### **Measures applicable to Auditors, also as members of the Oversight Body**

The violation of the regulation in force, the Model or Code of Ethics by one or more of the members of the Board of Auditors – also in function of duties and powers arising from their role of members of the Oversight Body – are subjected to the most suitable punishment among the provisions of law (artt. 2393 and following of the Italian Civil Code as indicated by article 2407 of the same Code), including the revoke from the role.

### **Measures applicable to other third parties**

Every violation of the Model or Code of Ethics by other parties with whom the Bank comes into contact during the course of business relations is subject to the penalties indicated in provisions of specific clauses included in the contracts concerned.

Furthermore, should the Bank effectively suffer damages as a result of a violation then any relevant claim shall remain in force, as will the award of damages decided by a court in application of punishment measures prescribed by the Decree.

## 13 Oversight Body

### Composition of the Oversight Body

The Decree calls for a “body within the organisation” that has autonomous powers to take action and to control (art. 6, para. 1, lett. b). A body that must be assigned the task of supervising the functioning, effectiveness and observance of the Model, in addition to ensuring that it is updated in an ongoing, timely manner.

The rather general concept of a “body within the organisation” justifies that a wide range of solutions can be adopted as regards its size, its rules of corporate governance and the need to establish an acceptable balance between costs and benefits.

In this regard the Board of Directors strongly believes that, in order to select the members of the Oversight Body, shall be taken into consideration the existence of the following requirements:

- autonomy and independence intended as:
  - possession of autonomous powers of action and control;
  - no performance of operational tasks;
  - a position within the organisation whereby it reports directly to the Board of Directors;
- professionalism intended as:
  - possession of adequate specialized skills;
  - equipped with specialized tools and techniques for performing the required activity, also by making use of assistance from specialized sectors;
- continuity of action to be achieved by means of support of a dedicated internal structure.

In consideration of the aforementioned characteristics and the size and organisation of the Bank, the Shareholders assembly of 30.04.2015 approved a resolution regarding the appointment of the members of the Board of Auditors as members of the Oversight Body, in accordance with the Decree and with what indicated by Banca d'Italia in circular no. 263 – 15th update of 2 July 2013 (New instructions concerning prudential supervision for banks) and also art. 6 of the aforementioned Decree.

Bearing in mind the distinctive nature of responsibilities attributed to the Oversight Body and specific professional attributes this requires to carry out the supervisory and control tasks, the Oversight Body will avail itself of the permanent support of the *Internal Auditing, Compliance & Anti-Money Laundering Legal* and *Organisation* functions and may request assistance from both other internal functions and external parties whose professional contribution may, from time to time, be necessary.

The Oversight Body shall in turn establish its own rules of operation and formalize these in a specific regulation, including how the necessary information flows are to be managed (see indications on this matter given in a later section).

It is Board of Directors' duty to irrevocably attribute to the Oversight Body an annual funding of EUR 25,000. This initial funding could be increased by the Board of Directors based on a justified request submitted by the Oversight Body itself.

### Term of office and replacement of members

The Board of Directors establishes the Oversight Body by means of a Board resolution.

In cases where it is meant to attribute the function of the Oversight Body to the Board of Auditors, the resolution must be taken by the Shareholders Assembly. In this case, the reasons for non-eligibility and withdrawal of members of the Oversight Body are regulated by the rules applicable to the Board of Auditors (art. 2399 of the Civil Code and Section II, Chapter 2 of the Supervisory Instructions for Banks).

## Functions and powers of the Oversight Body

Following the adoption of the Model and the consequent set up of the Oversight Body, to the latter is recognised the task of supervising the functioning and observance of the Model itself and ensuring it remains updated.

While clearly the ultimate responsibility for adopting the Model remains with the Board of Directors, the Oversight Body shall:

- Supervise, with autonomous powers of initiative and control, on the adequacy and effectiveness of the Model in relation to the Bank's structure and the Model's effective ability to prevent the committing of Unlawful Acts, therefore it shall;
  - conduct surveys of the Bank's activities to update the map of Activities of the Company susceptible to the risk of committing Unlawful Acts and relative Sensitive Processes, as well as the verification of the adequacy of Protocols of Control;
  - coordinate with the competent Bank functions to define Staff training programmes and the content of periodic memos/reports to be sent to Corporate Bodies and Employees to ensure they are aware and have a basic knowledge of regulations prescribed by the Decree;
  - monitor actions taken to disseminate a knowledge and understanding of the Model;
  - prepare and continue to update significant information in order to allow an exhaustive and informed compliance with the Bank's rules of conduct.
- With regard to the observance of the Model, shall:
  - perform periodic targeted checks on certain operations, transactions or specific action taken by the Bank within the context of Sensitive Processes;
  - coordinate with the various Bank functions (also by means of specific meetings) to monitor activities in the best possible manner. In pursuance of this the Oversight Body shall have free access to all Bank documentation it believes relevant and must be constantly informed by the Corporate Bodies and Employees of: a) aspects of the Bank's activities susceptible to the risk of committing one of the Unlawful Acts listed in the Decree; b) extraordinary operations, transactions or actions undertaken by the Bank;
  - gather, process and keep on file significant information as regards compliance with the Model, in addition to updating the list of information that must be transmitted to or kept available for the Oversight Body itself;
  - organize and carry out internal surveys to acquire further elements for investigation, coordinating these with the Bank functions concerned;
  - conduct internal investigations independently or with the assistance of the Internal Audit Function to verify breaches that are the subject of the internal reports received through the Internal Reporting channel activated by the Bank;
  - report any breaches found to the competent corporate functions and/or bodies of the Bank and request the adoption of corrective actions deemed necessary.
- With reference to the received proposals to update the Model and to monitor their implementation, shall:
  - Submit for the approval of the Bank's Board of Directors the amendments to the Model provided by the competent Functions;
  - based on results of verification and control activities, periodically make an evaluation as to the adequacy of the Model in the light of the provisions of the Decree and this document;
  - periodically present to the Board of Directors a specific report on evaluations made;

- periodically verify the implementation and effective functioning of proposed corrective actions/solutions;
- in coordination with the heads of competent Bank Functions evaluate cases that may require the imposing of disciplinary measures, it being understood that the relevant Bank Corporate Body/Function is competent for the relative disciplinary proceedings and imposing associated penalties.

### 13.1.1 Fulfilment of Anti-Money Laundering provisions in Legislative Decree 231/07

The Oversight Body shall comply with the duties of supervision and control introduced by art. 52 of the Decree, in implementation of Directive n. 2005/60/CE (as known as “Third anti-money Laundering Directive”) regarding the prevention of illegal use of the financial system with purpose of laundering of the revenue of criminal activities and terrorism financing, as well as of Directive n. 2006/70/CE, providing the related execution measures.

Particularly, for the financial intermediaries the Decree provided an amendment of the role of the Oversight Body, with specific duty of information to the Oversight Authorities at the Ministry of Economic and Finance and at Financial Intelligence Unit. Art. 52 of the aforementioned Decree, in fact, assigns to the Oversight Body the responsibility for supervising observance of regulations contained in the decree itself.

Specifically, given the provisions of Italian Civil Code and special laws, it is stated that: *“the Board of Auditors, the Oversight Body, the Control and Management Committee, the Oversight Body of art. 6, paragraph 1, letter N, of the Decree and all the subjects in charge of control and management in any way called at the addresses of the Decree, supervise on the observance of the rules contained in the Decree itself”*.

The members of the Oversight Body and of the Board of Auditors:

- a) Report, without delay, to the chairman or legal representative or one of his delegate, the violations regarding the disposition of the signal of suspect transaction as per art. 41 of the Decree;
- b) Communicate, within 30 days, to the Ministry of Economy and Finance the violations of the dispositions of art. 49, paragraphs 1, 5, 6, 7, 12, 13 and 14 and of art. 50 of the Decree they are aware of;
- c) Communicate, within 30 days, to the Financial Intelligence Unit the violations of the dispositions provided by art. 36 of the Decree they are aware of.

### **Rules for calling meetings and functioning**

In accordance with a specific regulation the Oversight Body establishes rules for its functioning based on the principles indicated below:

- the Oversight Body is headed up by a Chairman, who establishes the agenda for meetings. If absent or incapacitated, the Chairman is substituted by the eldest member of the Body;
- the Oversight Body is convened by the Chairman or, if deemed opportune, by any individual member;
- the Chairman has full powers to ensure the regular, orderly course of meetings, including the power to nominate, as necessary, a secretary, who need not necessarily be a member of the Oversight Body. The Chairman may invite external parties (Employees, external professionals, etc.) to participate in meetings, without voting rights, individuals whose participation is deemed to be useful as regards to workings of the Oversight Body itself;

- meetings are valid when the majority of members are present;
- although not formally called, a meeting shall be considered to have been convened in a valid manner when all members of the Oversight Body are present, including in video-conference mode;
- decisions are taken by the absolute majority of votes;
- the minutes of each meeting are signed the members of the Oversight Body;
- secretarial activities are performed by the Bank's Secretariat, which is also responsible for transcribing the minutes in a specific register and the safekeeping of the latter.

### **Reporting to the Board of Directors**

In order to fully conform with the Decree, the Oversight Body reports directly to the Board of Directors and so is guaranteed complete autonomy and independence in carrying out the tasks assigned to it.

While being fully autonomous and independent as regards the tasks assigned to it, the Oversight Body shall submit a written report to the Board of Directors covering the results of its activities, either annually or every time this is deemed necessary.

The said report shall cover:

- activities performed, indicating in particular the controls carried out and the results of these, verifications made and the results of these, any updating of Activities of the Company susceptible to the risk of committing Unlawful Acts and related Sensitive Processes;
- any critical aspects (cues for improvement) that have arisen both in terms of internal conduct or events, and effectiveness of the Model;
- planned corrective actions and improvements and an update as regards their progress.

The Oversight Body is free to communicate with the Board of Directors, its Chairman, the Board of Auditors and the independent firm of auditors, who in turn may request the Chairman to convene a meeting every time they believe it necessary or opportune in order to perform their own functions and as regards fulfilment of obligations prescribed by the Decree.

Minutes shall be prepared of these meetings of the Oversight Body with certain Corporate Bodies and copies shall be kept on file by the Oversight Body itself.

### **13.6 Information flows to the Oversight Body**

#### **Reports made by exponents of the Bank or by third parties**

Reports to the Oversight Body shall be made within the Bank:

- Periodically, concerning information/data/news indicated by the Oversight Body and/or those it has requested from individual units of the Bank; the said information shall be transmitted based on timing and methods that are defined by the Oversight Body itself;
- as and when necessary, any other information of whatsoever type, including information submitted by third parties, that is pertinent to implementation of the Model in areas of Activities of the Company susceptible to the risk of committing Unlawful Acts and related Sensitive Processes and/or concerns conformity with the provisions of the Decree, and/or can be useful for the fulfilment of tasks assigned to the Oversight Body, please see the following section-

It is, however, mandatory that the following information be transmitted to the Oversight Body:

- measures and/or information from the criminal police or any other authority, from which it is evident that an investigation of Addresses of the Model is under way that concerns Unlawful Acts contemplated by the Decree;



- reports made to the Bank by Employees in the event that judiciary proceedings concerning the latter are under way as regards one or more Unlawful Acts contemplated by the Decree;
- reports prepared by Bank units as part of their control activities from which facts, acts, events or omissions may emerge of a critical nature as regards regulations prescribed by the Decree;
- periodically, information concerning the effective application of the Model at all levels within the Bank;
- reports concerning the start of direct investigations to establish and eventually punish failure to respect the principles of conduct and Protocols foreseen by the Model and also reports concerning any penalties imposed.
- information flows from Bank units to the Oversight Body shall be transmitted in accordance with methods prescribed by the Body itself;
- the information and documents transmitted to the Oversight Body through the information flows will be stored, as a rule and without prejudice to any different time periods established by the regulation regarding internal reporting, for a period of 10 years in a specific database (IT or paper) prepared by the same, without prejudice to compliance with the provisions on protection of the applicable personal data;
- access to the database is permitted exclusively to members of the Oversight Body and persons specifically identified in the regulation of the Body itself.

## **Gathering and filing of information**

### **14 Whistleblowing reports**

The Bank has activated an Internal Reporting channel compliant with the requirements of Legislative Decree 24/2023 which allows internal reporting of information on relevant illicit conduct pursuant to Legislative Decree 231/2001 and breaches of the Code of Ethics and Conduct and Model, as well as breaches of domestic and European legal provisions referred to in Legislative Decree no. 24/2023. Through the same channel, it is also possible to make internal reports on information regarding breaches of banking regulations pursuant to art. 52-bis of the Consolidated Banking Act/TUB.

#### **14.1 Internal Reports**

Internal reports concerning information on illicit conduct relevant pursuant to Legislative Decree 231/2001 and breaches of the Code of Ethics and Conduct and Model as well as on breaches of domestic and European legal provisions referred to in Legislative Decree no. 24/2023 may be made by persons falling into the following categories:

- Candidates, limited to information on breaches acquired during the selection process or in other pre-contractual phases;
- Employees, including those on probation;
- former Employees, limited to information on breaches acquired during the employment relationship;
- Self-employed workers;
- Independent contractors;
- workers, both employed and self-employed, and independent contractors who work for suppliers;

- Self-employed professionals;
- Advisors;
- volunteers and interns, paid and unpaid, who work for the Bank;
- the shareholders and persons who exercise administration, management, control, supervision or representation functions, even de facto, at the Bank.

Internal reports concerning information on the breaches referred to in art. 52-bis of the Consolidated Banking Act (TUB) may be made by persons belonging to the following categories:

- Employees, including those on probation;
- Self-employed workers;
- Independent contractors;
- Advisors;
- volunteers and interns, paid and unpaid, who work for the Bank;
- the shareholders and persons who exercise administration, management, control, supervision or representation functions, even de facto, at the Bank.

Internal reports must be based on precise and consistent factual elements, report the information that constitutes the subject matter with the greatest possible degree of detail and possibly be accompanied by suitable supporting documentation. In particular, the reporting person is invited to provide a clear and complete description of the facts covered by the internal report and information regarding the circumstances of time and place in which they occurred and the details of the persons concerned and any other people who can report on the facts covered by the internal report (or other elements that allow them to be identified).

The possibility of making internal reports anonymously is permitted.

Internal reports can be made both in written and oral form and will be managed according to the methods described in the specific regulation available on the company Intranet and the Bank's institutional website.

In each management phase of the internal report, the confidentiality of the identity of the reporting person is ensured.

The management of the internal reporting channel has been assigned to the Oversight Body.

For further information on the Internal Reporting channel, please see the relevant regulation adopted by the Bank.

## **14.2 External Whistleblowing Reports**

Pursuant to art. 6 of Legislative Decree 24/2023 (of which this section reproduces the essential contents), the reporting person who has made or intends to make an internal report concerning information on breaches of domestic and European legal provisions, referred to by Legislative Decree no. 24/2023 can make external reports through the External Reporting channel activated by ANAC with the methods described on its website if one or more of the following conditions apply:

- the reporting person believes that the Internal Reporting channel activated by the Bank does not comply with the provisions of the art. 4 of Legislative Decree no. 24/2023;
- the reporting person has already submitted an internal report and this has not been followed up;
- the reporting person has reasonable grounds to believe that, if he/she were to make an internal report, it would not be followed up effectively or that the internal report could lead to the risk of retaliation;
- the reporting person has reasonable grounds to believe that the breaches which are the subject of the report may constitute an imminent or obvious danger to the public interest.

### 14.3.9 Protection of the reporting person and support measures

According to the provisions of Chapter III of Legislative Decree no. 24/2023 (of which this section reproduces the essential contents), anyone acting in the name or on behalf of the Bank is prohibited from carrying out retaliatory acts as a consequence of the internal report, external report, public disclosure or the complaint to the judicial and accounting authorities against the following:

- reporting persons;
- authors of public disclosures;
- those who have filed a complaint;
- Facilitators;
- persons who are part of the Bank's organisation and who are linked to the reporting persons, to the authors of public disclosures and to those who have filed a complaint from a stable emotional or kinship bond up to the fourth degree;
- the colleagues of the reporting persons, the authors of public disclosures and those who have filed a complaint who have a regular and current relationship with them;
- the entities owned by the reporting persons, authors of public disclosures and those who have filed a complaint or for whom they work as well as the entities that operate at or on behalf of the Bank.

A retaliatory act means any behaviour, act or omission, even if only attempted or threatened, carried out as a result of the Report, the report to the judicial or accounting authority or the public disclosure and which causes or may cause the reporting person or the person who has reported, directly or indirectly, unfair damage and, in particular, by way of example and not exhaustively:

- suspension, lay-off, dismissal or equivalent measures
- demotion or withholding of promotion;
- transfer of duties, change of location of place of work, reduction in wages, change in working hours
  - withholding of training;
  - a negative performance assessment or employment reference;
  - imposition or administering of any disciplinary measure, reprimand or other penalty, including a financial penalty;
  - coercion, intimidation, harassment or ostracism
  - discrimination, disadvantageous or unfair treatment;
  - failure to convert a temporary employment contract into a permanent one, where the worker had legitimate expectations that he or she would be offered permanent employment;
  - failure to renew, or early termination of, a temporary employment contract;
  - harm, including to the person's reputation, particularly in social media, or financial loss, including loss of business and loss of income;
  - blacklisting on the basis of a sector or industry-wide informal or formal agreement, which may entail that the person will not, in the future, find employment in the sector or industry;
  - early termination or cancellation of a contract for goods or services;
  - cancellation of a licence or permit;
  - psychiatric or medical referrals.

The person or entity who believes they have been the victim of a retaliatory act can notify the ANAC, which shall notify the National Labor Inspectorate for the measures within its competence. In case of

verification by the judicial authority of the breach of the prohibition on retaliation, the person or entity that suffered the retaliatory act accesses the protection measures provided for by the art. 19 of Legislative Decree 24/2023.

Reporting persons can also request from the Third Sector bodies listed in the list set up at the ANAC for free information, assistance and advisory services on reporting methods, protection from retaliation, the rights of the person concerned as well as the methods and conditions of access to legal aid at state expense.

The protection and support measures indicated above are not guaranteed for the reporting person and the person who has filed a complaint whose criminal liability for the crimes of defamation or slander or the liability civil, for the same title, in cases of willful misconduct or gross negligence.

#### **14.4 Penalties**

The penalties provided for by the sanctioning system referred to in chapter 8 of the document herein are applied to anyone who breaches the measures to protect the reporting person as well as to anyone who commits one or more significant breaches or makes reports with intent or gross negligence that prove to be unfounded.

## Annex 1

The Decree, in its original draft, listed only crimes committed in relations with the public administration, among those whose commission gives rise to company administrative liability (articles 24 and 25). The list of crimes was subsequently expanded to include the following:

- Cybercrimes and unlawful processing of data (art. 24a of D. Lgs. 231/01, introduced by Law 48 of 18 March 2008, art. 7);
- Organised crime (art. 24-b of D. Lgs. 231/2001, introduced by Law 94 of 15 July 2009, art. 2, co. 29);
- Crimes relating to counterfeiting of money, legal tender and revenue stamps (art. 25a of D. Lgs. 231/01, introduced by Law 409 of 23 November 2001, relating "Urgent provisions in view of the introduction of the Euro", art. 6);
- Crimes against industry and commerce (art. 25a.1 of D. Lgs. 231/01, introduced by Law 99 of 23 July 2009);
- Corporate crimes (art. 25b of D. Lgs. 231/2001, introduced by art. 3 of D. Lgs. 61 of 11 April 2002, amended by Law 262 of 28 December 2005, art. 31);
- Crimes for the purpose of terrorism or subversion of the democratic order (art. 25c of D. Lgs. 231/01, introduced by Law 7/2003, art.3);
- Female genital mutilation practices (art. 25c-1 of D. Lgs. 231/01, introduced by Law 7 of 9 January 2006, art. 8);
- Crimes against the individual (art. 25d of D. Lgs. 231/01, introduced by Law 8/2003 no. 228);
- Market abuse crimes (art. 25e of D. Lgs. 231/01, introduced by Law 62 of 18 April 2005, art. 9);
- Crimes of manslaughter and grievous or very grievous bodily harm committed in violation of accident prevention and occupational health and safety regulations (art. 25f of D. Lgs. 231/01, introduced by Law no. 123 of 3 August 2007, art. 9);
- Crimes of receiving, laundering and using money, goods or assets of illicit origin, as well as self-money-laundering (art. 25g of D. Lgs. 231/01, introduced by D.lgs. 231/2007);
- Crimes relating to payment instruments other than cash and fraudulent transfer of valuables (art. 25-octies.1 del D. Lgs. 231/2001, introdotto dall'art. 3 del D. Lgs. 184/2021);
- Copyright infringement crimes (art. 25i of D.lgs. 231/01, introduced by Law 99 of 23 July 2009);
- Transnational crimes (Law 146 of 16 March 2006, articles 3 and 10);
- Solicitation to withhold statements or to make false statements to the judicial authorities (art. 25i of D.lgs. 231/01, introduced by Law 116 of 3 August 2009, art. 4);
- Environmental crimes (art.25j of D.lgs. 231/01, introduced by D.lgs. 121 of 7 July 2011);
- Employment of third-country nationals illegally staying in the country (art.25k of D.lgs. 231/01, introduced by D.lgs. 109 of 16 July 2012);
- Tax crimes (art. 25n of D. Lgs. 231/01);
- Racism and xenophobia (Art. 25l of D. Lgs. 231/01, introduced by Law 167 of 20 November 2017);
- Fraud in sporting competitions, abusive gaming or betting activities and games of chance performed using prohibited devices (Art. 25m of D. Lgs. 231/01, introduced by Law 39 of 3 May 2019);
- Smuggling (Art. 25o);
- Crimes against cultural heritage (Art. 25p and Art. 25q of D.lgs. 231/01, introduced by Law 22 of 9 March 2022, art. 3);
- Laundering of cultural assets and devastation and looting of cultural and landscape assets (Art. 25q of

D.lgs. 231/01, introduced by Law 22 of 9 March 2022, art. 3);

- Non-compliance with disqualification penalties (Art. 23 D. Lgs. 231/01).

For a more extensive examination of the crimes envisaged by the Decree, please see “**Section II – Crimes envisaged by D.Lgs 231/01 MOG Section I**”

## Annex 2

ID	Crime	Regulatory reference	Control Protocol no.	Control protocol name
1	Crimes committed against the Public Administration	Art. 24 D.lgs 231/01 [article supplemented by D.Lgs. 75/2020] and Law 137/2023 Art. 25 D.lgs 231/01 [article amended by Law 190/2012, Law 3/2019 and D. Lgs. 75/2020].	Protocol # 1	Control protocol on crimes against the Public Administration
2	Cybercrimes and unlawful data processing	Art. 24 of D.lgs 231/01 [Article added by Law 18 March 2008 no. 48, art. 7 and amended by D.Lgs. 8/2016 and D.L. 105/2019]	Protocol # 2	Control protocol on cybercrimes
3	Organized crime	Art. 24b D.lgs 231/01 [Article added by Law 15 July 2009, no. 94, art. 2, co. 29 and amended by Law 69/2015]	Protocol # 3	Control protocol on illicit and transnational financing
4	Forgery of money, legal tender and revenue stamps and identification instruments or markings	Art. 25a D.lgs 231/01 [Article supplemented by Law 23 July 2009, no.99, art.15 and amended by D.Lgs. 125/2016]	Protocol # 4	Control protocol on counterfeit currency
5	Crimes against industry and commerce	Art. 25a.1 D.lgs 231/01 [Article introduced by Law 23 July 2009, no.99, art.15]	Protocol # 3	Control protocol on illicit and transnational financing
6	Corporate crimes	Art. 25b D.lgs 231/01 [Article added by D.Lgs. 11 April 2002 no. 61, art. 3, amended by Law 28/12/2005 no. 262, art. 39, Law 6/11/2012 no. 190, art. 1, Law 27/05/2015 no. 69, art. 12 and D. Lgs. 15/03/2017 no. 38] and D. Lgs. 19/2023].	Protocol # 5	Control protocol on corporate crimes
7	Crimes for the purpose of terrorism or subversion of the democratic order envisaged by the criminal code or special laws	Art. 25c D.lgs 231/01 [Article added by Law 14 January 2003 no. 7, art. 3]	Protocol # 6	Control protocol on money laundering and terrorism financing crimes
8	Female genital mutilation practices	Art. 25c(1) D.lgs 231/01 [Article added by Law 9 January 2006 no. 7, art. 8]	Protocol # 3	Control protocol on illicit and transnational financing
9	Crimes against the individual	Art. 25d D.lgs 231/01 [Article added by Law 11/08/2003 no. 228, art. 5, amended by Law 29/10/2016 no. 199]	Protocol # 3	Control protocol on illicit and transnational financing
10	Market abuse crimes	Art. 25e D.lgs 231/01 [Article added by Law 18 April 2005 no. 62, art. 9]	Protocol # 7	Control protocol on Market Abuse crimes

<b>ID</b>	<b>Crime</b>	<b>Regulatory reference</b>	<b>Control Protocol no.</b>	<b>Control protocol name</b>
11	Crimes of manslaughter and grievous or very grievous bodily harm committed in violation of accident prevention and occupational health and safety regulations	Art. 25f D.lgs. 231/01 [Article added by Law 3 August 2007 no. 123, amended by D.lgs 81/08 and Law 3/2018]	Protocol # 8	Control protocol on occupational health and safety
12	Crimes of receiving, laundering and using money, goods or assets of illicit origin, as well as self-money-laundering	Art. 25g D.lgs 231/01 [Article added by D.Lgs. 21 November 2007 no. 231, art. 63, co. 3 and subsequently amended by Law 15 December 2014, no. 186]	Protocol # 6	Control protocol on money laundering and terrorism financing crimes
13	Crimes relating to payment instruments other than cash and fraudulent transfer of valuables	Art. 25h.1, D.lgs. 231/01, [Article added by D.lgs. 184/2021] and amended by Law 137/2023]	Protocols # 2 and 3	Control protocol on cybercrimes and Control protocol on illicit and transnational financing
14	Copyright infringement crimes	Art. 25i D.lgs 231/01 [Article added by Law 23 July 2009 no. 99]	Protocol # 3	Control protocol on illicit and transnational financing
15	Transnational crimes	Law 16 March 2006, no. 146, art. 10	Protocol # 3	Control protocol on illicit and transnational financing
16	Solicitation to withhold statements or to make false statements to the judicial authorities	Art. 25j D.lgs 231/01 [Article added by Law 3 August 2009 no. 116, art. 4 and subsequently amended by D.lgs 121/2011]	Protocol # 3	Control protocol on illicit and transnational financing
17	Environmental crimes	D.Lgs. 231/01 Art.25k [Article introduced by D.lgs. 121 of 7 July 2011 and subsequently amended by Law 68 of 22 May 2015, and d. Lgs. 21/2018].	Protocol # 9	Control protocol on environmental crimes
18	Employment of third-country nationals illegally staying in the country	D.Lgs. 231/01 Art.25l [Article introduced by D.lgs. 109 of 16 July 2012 and amended by Law 161/2017].	Protocol # 10	Control protocol on unauthorized workers
19	Tax crimes	Art. 25m D. Lgs. 231/2001 [Article added by D.L.124 of 26 October 2019 coordinated with Conversion Law 157 of 19 December 2019 and amended by D.Lgs.75 of 14 July 2020]	Protocol # 11	Tax crimes
19	Racism and xenophobia	Art. 25n D. Lgs. 231/01 [Article introduced by Law 167 of 20 November 2017 and amended by D. Lgs. 21/2018]	Protocol # 1	Control protocol on crimes against the Public Administration
20	Fraud in sporting competitions, abusive gaming or betting activities and games of chance performed using prohibited devices	Art. 25o D. Lgs. 231/01 [Article introduced by Law 39 of 3 May 2019]	Protocol # 3	Control protocol on illicit and transnational financing



ID	Crime	Regulatory reference	Control Protocol no.	Control protocol name
21	Smuggling	Art. 25q D. Lgs. 231/01 [Article inserted by art. 5, lett. a), D.Lgs. 75/2020]	Protocol # 6	Control protocol on money laundering and terrorism financing crimes
22	Crimes against cultural heritage, laundering of cultural assets and devastation and looting of cultural and landscape assets	Art. 25q and Art. 25r D.lgs. 231/01 [Article added by Law 22 of 9 March 2022]	Protocol # 3	Control protocol on illicit and transnational financing