

# **ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF POSTE ITALIANE SPA**

PURSUANT TO ITALIAN LEGISLATIVE  
DECREE NO. 231/2001

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**Approved by the Board of Directors on 05/11/2019**

**Poste Italiane SpA**

Registered office: Viale Europa, 190-00144 Rome  
Tax Code and Rome Companies' Register no. 97103880585/1996  
Tax Code 97103880585 - VAT no. 01114601006  
Fully paid-up share capital: €1.306.110.000,00

# TABLE OF CONTENTS

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<b>GENERAL SECTION</b>	<b>4</b>
1. Legislative Decree no. 231/2001	4
1.1 Administrative liability of legal entities	4
1.2 The offences laid down in Decree 231	5
1.3 The sanctions provided for under Decree 231	6
1.4 Conditions exempting administrative liability	7
1.5 Crimes committed abroad	8
2. Company and its Internal Control and Risk Management System	9
2.1 Foreword	9
2.2 Corporate governance system	9
2.3 Poste Italiane's SCIGR	11
2.4 The Company's Regulatory System	13
2.5 Group Code of Ethics and Policies	13
2.6 Centralisation and externalisation of these operations	14
3. The Organization, Management and Control Model of Poste Italiane SpA	15
3.1 Purposes of the 231 Model	15
3.2 Recipients	16
3.3 Structure of the Model	16
3.4 Premise of the Model	17
3.6 Identification of sensitive activities	18
3.7 Control principles	18

4. Supervisory Body	21
4.1 Identifying the Supervisory Body	21
4.2 Grounds for Ineligibility, Disqualification or Revocation of the Supervisory Body	21
4.3 Powers and Functions of the Supervisory Body	22
4.4 Reporting by the Supervisory Body to Corporate Bodies	23
4.5 Information Flows to the Supervisory Body	23
4.6 Whistleblowing	24
5. Disciplinary actions	25
5.1 Foreword	25
5.2 Sanctions for employees	26
5.3 Sanctions for executives	27
5.4 Disciplinary measures against Directors and Statutory Auditors	27
5.5 Disciplinary measures against members of the Supervisory Body	28
5.6 Measures against Suppliers, Contractors, Partners and Consultants	28
6. Personnel recruitment and training and application of the Model	29
7. Adoption of the Organizational Models by the Companies belonging to the Poste Italiane Group and coordination among the Group's Supervisory Bodies	30
8. Updating the Model	31
<b>PARTI SPECIALI (Omissis)</b>	<b>32</b>
<b>Annex 1</b>	<b>33</b>

# GENERAL SECTION

## 1. Legislative Decree no. 231/2001

### 1.1 Administrative liability of legal entities

On 8 June 2001 – in execution of the mandate given under Art. 11 of Law no. 300 of 29 September 2000 – Legislative Decree no. 231 (hereinafter referred to as “Decree 231”) was issued and came into force the following 4 July, which aimed to adapt domestic legislation on the liability of legal entities to several international Conventions to which Italy has long been a signatory, and more specifically:

- the Brussels Convention of 26 July 1995 on the protection of the European Communities’ financial interests;
- the Convention, again signed in Brussels on 26 May 1997, on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union;
- the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

Decree 231 introduced in the legal system the administrative liability of legal entities for administrative offences arising from a crime. The provisions contained therein apply to “entities having legal personality and other companies or associations also without legal personality” (hereinafter also denoted “entities”).

This new form of liability, albeit labelled “administrative” by the legislator, presents a few characteristics that are specific to criminal liability as, for example, the fact that the offences are referred to the competent criminal court for the detection of the predicate crime and that the procedural protections are extended to the entity.

Decree 231 provides that:

1. The entity is liable for offences committed in its interest or to its advantage:
  - a. by people holding representation, administration or management functions of the entity or by one of its organizational units endowed with financial and functional autonomy and by the people performing the de facto management or control thereof;
  - b. by people subjected to the management or supervision of one of the subjects referred to in letter a).
2. The entity is not liable if the people referred to in Point 1 have exclusively acted in their own interest or in the interest of third parties.

In addition to the objective and subjective elements described above, Decree no. 231 also provides for the determination of the entity’s guilt in order be able to claim liability. This provision is, ultimately, referable to the “organization’s guilt” intended as the entity’s failure to adopt adequate preventive measures capable of preventing the commission of the offences by the subjects indicated in Decree 231 listed in the following paragraph.

The entity’s administrative liability therefore lies beyond and is different from that of the natural person who materially commits the offence, although both are subjected to investigation in the same proceeding before a criminal court. However, the entity’s liability persists also in case the natural person who committed the crime is not identified or is found to be not punishable, as well as where charges are dismissed or not filed for reasons other than amnesty.

The entity’s liability may exist even if the alleged offence is configured as a crime of attempt (according to Art. 26 of Decree 231), meaning thereby when the subject commits acts unequivocally directed to committing a crime and the action is not committed or the event does not occur.

## 1.2 The offences laid down in Decree 231

The offences that, if committed, may give rise to the entity's administrative liability expressly indicated in Decree 231 as amended and supplemented.

Below are the list of the "families of crime" which currently fall within the scope of Decree 231, with a reference to Annex 1 "Catalogue of 231 Crimes"<sup>1</sup> of the instant document for a detailed analysis of the individual fact patterns included in each family:

1. **Undue receiving of disbursements, defrauding of the State or of a public agency or in order to receive public disbursements and defrauding of the State or a public agency through information technology** (Article 24, Decree 231)
2. **Computer crimes and unlawful data processing** (Art. 24-*bis*, Decree 231) [article added by Law no. 48/2008]
3. **Offences regarding organized crime** (Article 24-*ter*, Decree 231) [Article introduced by Law no. 94/2009]
4. **"Graft" i.e. extortion by individuals performing public services, inducing someone to give or promise benefits and corruption** (Article 25, Decree 231) [Article amended by Law no. 190/2012, and as last amended by Law no. 3/2019]
5. **Counterfeiting currency, credit cards, tax stamps and identifying instruments or signs** (Art. 25-*bis*, Decree 231) [article added by Legislative Decree no. 350/2001, as amended and enacted in Law no. 409/2001; amended by Law no. 99/2009]
6. **Offences against industry and trade** (Article 25-*bis*.1, Decree 231) [Article introduced by Law no. 99/2009]
7. **Corporate crimes** (Article 25-*ter*, Decree 231) [Article added by Leg. Decree no. 61/2002, last amended by Law no. 190/2012, by Law no. 69/2015 and by Leg. Decree no. 38 of 15 March 2017]
8. **Acts committed for the purpose of terrorism or of subverting the democratic order provided for in the Criminal Code or in the Special Laws** (Art. 25-*quater*, Decree 231) [article added by Law no. 7/2003]
9. **Female genital mutilation practices** (Article 583-*bis* of the Criminal Code) (Article 25-*quater*.1, Decree 231) [Article introduced by Law no. 7/2006]
10. **Crimes against the individual** (Article 25-*quinquies*, Decree 231) [Article introduced by Law no. 228/2003, as amended by Law no. 199/2016]
11. **Market abuse crimes** (Article 25-*sexies*, Decree 231) [Article introduced by Law no. 62/2005]
12. **Manslaughter and inflicting grievous or very grievous bodily harm in violation of the legal provisions on the protection of health and security on the workplace** (Art. 25-*septies*, Decree 231) [Article added by Law no. 123/2007, subsequently superseded by Law no. 81/2008]
13. **Receiving stolen goods, money laundering and the use of unlawfully obtained money, goods or benefits and self-laundering** (Art. 25-*octies*, Decree 231) [Article added by Legislative Decree no. 231/2007; amended by Law no. 186/2014]
14. **Crimes regarding breach of copyright** (Article 25-*novies*, Decree 231) [Article introduced by Law no. 99/2009]
15. **Incitement to not testify or to bear false testimony to the judicial authorities** (Article 25-*decies*, Decree 231) [Article introduced by Law no. 116/2009]
16. **Environmental crimes** (Art. 25-*undecies*, Decree 231) [article added by Legislative Decree no. 121/2011 and amended by Law no. 68/2015]
17. **Employing citizens from third Countries residing without authorisation** (Article 25-*duodecies*, Decree 231) [Article added by Leg. Decree no. 109/2012, as last amended by Law no. 161/2017]
18. **Crimes of racism and xenophobia** (Article 25-*terdecies*, Decree 231) [Article added by Law no. 167/2017]
19. **Fraud in sports competition, unlawful gaming or betting or gambling exercised through any prohibited equipment** (Art. 25-*quaterdecies*, Decree 231) [Article added by Law no. 39/2019]
20. **Transnational Crimes** (Law no. 146/2006)

1. Updated on 15 December 2014 (last provision added: Art. 3, Law no. 186 of 15 December 2014).

## 1.3 The sanctions provided for under Decree 231

Jurisdiction for the administrative offences of entities lies with the criminal courts. The determination of responsibility may entail the application of serious sanctions that might damage the very life of the entity (Art. 9 et seq., Decree 231), as specified below:

### a. Financial penalties;

should an administrative crime predicated on an underlying crime be adjudicated, the fine per quotas shall apply. In meting out the financial penalty, the court calculates the number of quotas by taking into account the severity of the offence, the degree of entity liability for the same, as well as the steps taken to eliminate or mitigate the consequences of the incident in order to prevent the commission of further offences. The amount of the individual quota is, on the other hand, set based on the entity's economic and equity positions, in order to ensure the effectiveness of the sanction itself<sup>2</sup>.

Art. 12 of Decree 231 contemplates that the financial-penalty amount shall be reduced if:

- the perpetrator of the crime committed the act primarily in his/her own interest, or in that of a third party, and the entity drew no advantage (or only minimal advantage) from the same;
- the economic harmed caused is negligible.

By the same token, the fine may be reduced where, before arguments in any form are heard at the first-tier court stage:

- the entity has paid full restitution on damages, and has eliminated the harmful or dangerous consequences of the crime, or has otherwise effectively implemented measures for such purpose;
- alternatively, an organizational model (apposite to prevent the type of crime later committed) was approved and implemented.

### b. Interdictory sanctions;

the following interdictory sanctions, with an application ranging from three (3) months to two (2) years (with the exception of those cases where the sanctions are made permanent) are available to the court<sup>3</sup>:

- debarment from exercising the activity;
- suspension or revocation of authorizations, licences or concessions functional to the commission of the infringement;
- disqualification from contracting with the Public Administration, except to obtain the services of a public agency;
- exclusion from reductions, financing, contributions or subsidies and/or the revocation of those already granted;
- debarment from publicizing goods or services.

Pursuant to Art. 13 of Decree 231, the interdictory sanctions shall apply with respect to the administrative crimes (if expressly contemplated under the law) where at least one of the following conditions is met:

- the entity has realised significant gains from the crime, and the crime was committed by persons in a senior-management role, or by parties subject to the supervision of another, provided the crime was committed because of, or facilitated by, egregious lapses within the organization;
- for any recidivism with respect to the crimes.

The sanctions shall not apply, on the other hand, when:

- the perpetrator of the crime committed the act primarily in his/her own interest, or in that of a third party, and the entity drew no advantage (or only minimal advantage) from the same;
- the economic harmed causes is negligible.

2. Under Art. 10 of Decree 231, the financial penalty is applied using a quota system, with quotas ranging between one hundred and one thousand; each quota ranges from a minimum of Euro 258 to a maximum of Euro 1,549.

3. Art. 16 of Decree 231 contemplates that "a permanent restriction on business operations may be imposed if the entity has realised sizeable gains from the crime, and where a temporary restriction on operations has been ordered at least three times over the previous seven years". Furthermore, the "court may apply, on a permanent basis, and as against the entity, a restriction against entering into contracts with entities of the public administration, or a restriction against advertising goods or services when the entity has already been subject to the same sanction at least three times over the previous seven years". Finally: "where the entity or any organizational unit is utilised, on an ongoing basis, for the sole, or for the prevailing purpose of facilitating the commission of crimes wherein entity liability is contemplated, a permanent debarment from exercising the activity shall always be imposed".

Without prejudice to the application of financial penalties, interdictory sanctions shall not apply when, prior to arguments being heard at the first tier of course stage, the following conditions are met:

- the entity has paid full restitution on damages, and has eliminated the harmful or dangerous consequences of the crime, or has otherwise effectively implemented measures for such purpose;
- the entity has resolved the organizational lacunae which allowed for the crime to happen by adopting and implementing organizational models apposite to prevent the type of crime which occurred;
- the entity made the ill-gotten gains available for civil forfeiture under Art. 17, Decree 231.

As a general rule, the sanctions target the specific activity wherein the administrative offence occurred. The court shall set the type and duration for the same based on the same criteria applicable to the financial penalty, bearing in mind the insufficiency of the individual sanctions to prevent the type of crimes committed.

In such cases, any ill-gotten gains earned from continuing operations shall be subject to forfeiture (Art. 15, Decree 231).

These provisions can also be applied to the entity as preventive measures, before investigating into the merit of the existence of an administrative crime or misconduct that arise from it, in case serious evidence is found leading to retain the entity liable, as well as in the case of the well-founded risk that offences of the same type as those being prosecuted might be reiterated (Art. 45, Decree 231).

Again, in such cases, instead of the interdictory, pre-trial measure, the court may appoint a receiver to continue the business operations (where the entity provides a necessary public service, or where interrupting such operations would have a significant impact on employment rates).

Any failure to abide by the interdictory sanctions shall constitute a separate crime under Decree 231, and a source of potential administrative liability for the entity (Art. 23 of Decree 231).

#### c. Asset forfeiture

Following conviction, or where the entity is acquitted following the insufficiency of the 231 Model as implemented, and the crime was committed by senior management, the court shall order that all ill-gotten gains be forfeited (save the portion of the same which might be paid to the injured party as restitution); when that is not possible, an order shall be entered to forfeit monies, assets, or other benefits of a value equal to such ill-gotten gains or the fruit of the crime (Art. 19, Decree 231).

#### d. Publication of the sentence

An order for the sentence to be published may apply when an interdictory sanction is levied against the entity; the publication shall be at the entity's expense (Art. 18, Decree 231).

In the case in which a judge finds the existence of grounds for the application of interdictory sanctions to an entity performing activities of public interest or that has a sizeable number of employees, the judge will be able to decide that the entity continue to operate under a judicial commissioner.

## 1.4 Conditions exempting administrative liability

Art. 6 of Decree 231 sets forth that the entity, in the case of offences committed by top positions, is not answerable if it can prove that:

- the management has adopted and effectively implemented, prior to the commission of the fact, Models of Organization, Management and Control suitable to prevent crimes of the same sort as the one committed (hereinafter, "Model 231");
- the task of supervising the functioning and the observance of the Model 231 and to assure it is updated has been entrusted to a body of the entity possessing autonomous powers of initiative and control (the "Supervisory Body, hereinafter denoted "Body" or "SB");
- the persons have committed the crime fraudulently eluding the aforesaid Model 231;
- supervision by the Supervisory Body has not been omitted or insufficient.

In the case in which the offence has been committed by people subordinated to the management or to the supervision of top positions, the entity will be held responsible for the crime only in case of negligence in the performance of the obligations to manage and supervise.

Therefore, the entity that, before the commission of the crime, adopts and effectively implements a Model 231 apt to prevent crimes such as the one that was committed, is exempted from responsibility in case it fully complies with the conditions laid down in Art. 6 of the Decree.

In this sense, the Decree provides specific indications on the content of the 231 Models, which must be:

- identifying the activities at risk for such crimes being committed;
- providing for specific “protocols” aimed at programming the formation and the enforcement of the entity’s decisions in relation to the crimes to be prevented;
- identifying the ways of managing financial resources able to prevent the commission of said crimes;
- providing for information obligations to the Supervisory Body;
- introducing a suitable internal disciplinary system to apply sanctions for the failure to respect the measures indicated in the 231 Model.

However, merely adopting a 231 Model is not, although theoretically sufficient, in and of itself enough to exempt responsibility, as its actual and effective implementation is required. In particular, for the purpose of effectively implementing the Model, Decree 231 requires:

- periodic audits on the actual implementation of, and compliance with, the 231 Model;
- any modification to the 231 Model when any significant violation of the provisions is found or when changes occur in the organization or in its activity;
- the concrete application of a disciplinary system capable of punishing any non-performance of the measures indicated in the 231 Model.

## 1.5 Crimes committed abroad

Pursuant to Art. 4 of Decree 231, the entity with its head office in the territory of the State may be called before the Italian criminal court for the administrative crime arising from crimes committed abroad in the cases and conditions laid down in Articles 7 to 10 of the Criminal Code, as long as no action is taken against them by the State in which the offence was committed.

Therefore, the entity is prosecutable when:

- it has its head office in Italy, meaning thereby the actual office in which all the administration and management activities are carried out, eventually even different from where the company is located or has its registered office (for entities with legal personality), or the place where its activity is continuously carried out (for entities without legal personality);
- the State where the offence was committed has not taken legal action against the entity;
- the request by the Minister of Justice also refers to the entity itself.

The above rules concern the crimes entirely committed abroad by top corporate positions or their subordinates. The criminal behaviour that may have been even partly performed in Italy falls under the principle of territoriality laid down in Art. 6 of the Criminal Code, pursuant to which “An offence shall be deemed committed in the territory of the State when the act or omission which constitutes it occurred therein in whole or in part, or when an event which is a consequence of the act or omission took place therein”.



## 2. Company and its Internal Control and Risk Management System

### 2.1 Foreword

Poste Italiane Group is an integral part of Italy's social fabric and its ability to create value. It represents a beacon for families and businesses. A trusted partner to the entities of the public administration, it provides tangible support to developing services for the community. Poste Italiane Group activities may be broken down into the following lines of business: Mail, Parcels and Distribution; Financial Services; Payments, Mobile and Digital; Insurance Services.

Parent Company, Poste Italiane SpA (hereinafter also denoted "Company" or "Poste Italiane") derives from the conversion of the Public Economic Entity ("Ente Pubblico Economico") "Poste Italiane", which was established by Law no. 71 of 29 January 1994, following the resolution of the Inter-Ministerial Economic Planning Committee of 18/12/1997.

Furthermore, pursuant to the Special Shareholders' Meeting Resolution of 14 April 2011, the Company established, effective 2 May 2011 – pursuant to Art. 2, paragraph 17-*octies*, of Law Decree no. 225 of 29 December 2010, converted into Law no. 10 (26 February 2011) – the BancoPosta Fund, to provide BancoPosta services, as permitted under D.P.R. no. 144 (14 March 2011, as subsequently amended); thereafter, with its Special Shareholders' Meeting Resolution of 29 May 2018, the BancoPosta Fund was amended, effective 1 October 2018, following the release of the earmarking of the corporate division (relating to monetics and payment services, as well as the set of contracts and other arrangements relating to back-office and anti-money-laundering support) for the BancoPosta Fund.

The corporate division of monetics and payment services was given by Poste Italiane in favour of its subsidiary PostePay SpA, which in turn set up this corporate division in its own ring-fenced capital for the exercise of the activities of electronic money institution.

### 2.2 Corporate governance system

The corporate governance system implemented by the Company complies with the principles set forth in the Corporate Governance Code of listed companies and the Supervisory Provisions of the Borsa Italia [Italian Stock Exchange], pursuant to the provisions of Legislative Decree no. 58, 24 February 1998 (the Consolidated Law on Finance), where applicable, the Supervisory Standards issued by the Bank of Italy and applicable to Poste Italiane in view of the unbundled activities conducted by BancoPosta RFC (Patrimonio destinato BancoPosta), and the legislation applicable to electronic money institutions as regards the activities carried out by Poste Italiane in implementation of the agreements entered into with PostePay – the ring-fenced EMI. That corporate governance system is further informed by the recommendations issued by CONSOB on the matter, and more generally, by international best practices.

In keeping with the provisions of Italian legislation on listed companies, the Company is organized as a traditional management and control system with the following salient features:

- a Board of Directors tasked with managing the Company;
- a Board of Statutory Auditors shall be called upon monitor compliance with the law, the Company's By-laws and with correct corporate governance principles, also verifying the adequacy of the organizational structure and administrative and accounting systems adopted by the Company and their functionality.
- the Shareholders' Meeting, which expresses the will of the shareholders, and is vested with authority to make the most crucial of corporate decisions (such as the appointment or removal of persons to the Board of Directors, and the Board of Statutory Auditors, approving the financial statements, resolving to amend the company By-Laws, and any special corporate transaction).

The statutory auditing of the company's accounts has been assigned to a specialised firm (CONSOB member) duly appointed by the Shareholders' Meeting upon annotated motion of the Board of Statutory Auditors.

Moreover, in line with the Corporate Governance Code of listed companies and the Supervisory Provisions of the Bank of Italy applicable to Poste Italiane in the exercise of the activities of BancoPosta, the Board of Directors has established an in-house Control, Risk and Sustainability, a Remuneration Committee, a Nominations Committee and Corporate Governance Committee and a Related and Connected Parties Committee.

These Committees are vested with investigative, propositional and advisory functions that they perform for the Board, and to wit:

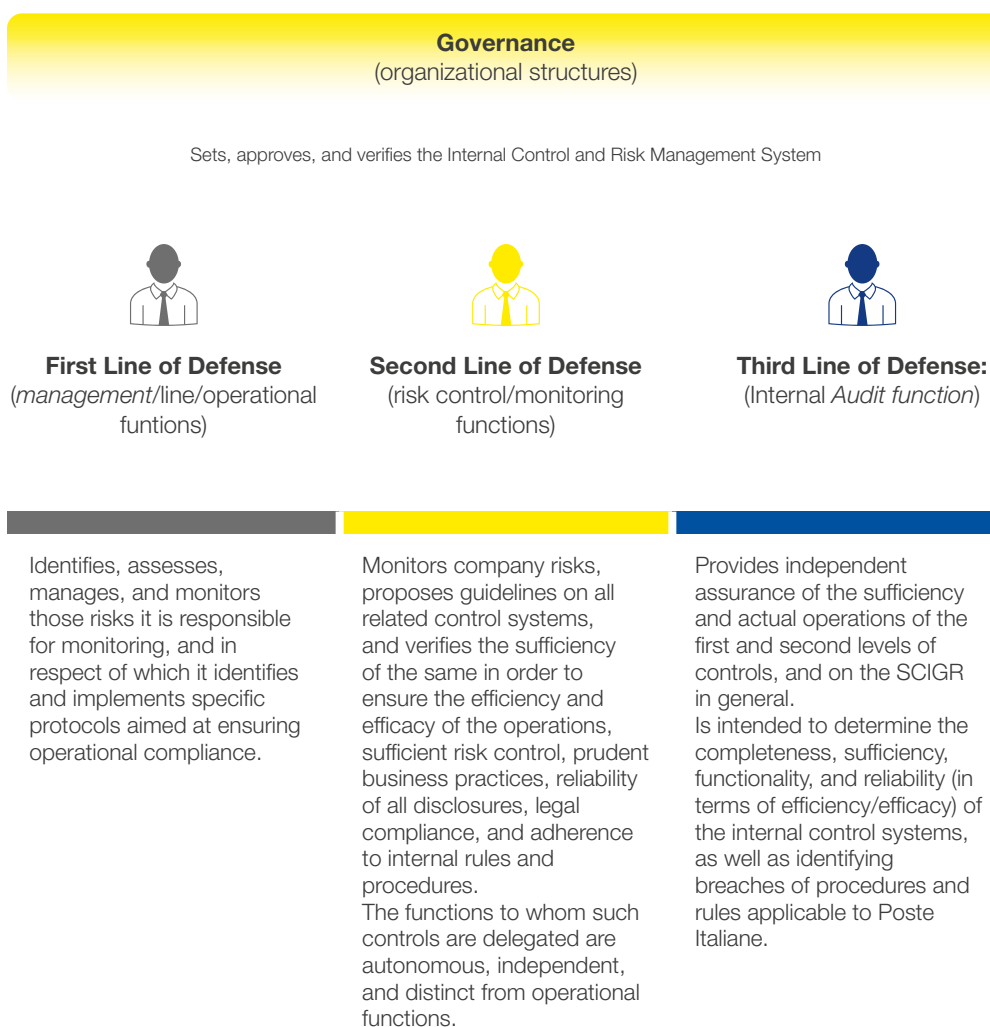
- the **Control, Risk and Sustainability Committee** has the task of supporting, through an appropriate investigative activity, the evaluations and decisions of the Board of Directors on the internal risk management and control system and on the approval of the relative periodic financial reports. Moreover, in relation with the exercise of the activities of BancoPosta, the Control, Risk and Sustainability Committee performs support functions for the Board of Directors on matters relative to risks and to the internal control systems, with a special reference to all those necessary activities that are instrumental to enabling the Board of Directors to make a correct and effective determination of the risk appetite framework and of risk management policies. The Committee also has the task of assisting the Board of Directors to evaluate and decide on sustainability through proactive and advisory preliminary functions;
- the **Remuneration Committee** formulates proposals and recommendations to the Board of Directors on the remuneration of directors and managers with strategic responsibilities. Moreover, in relation with the exercise of the activities of BancoPosta, the Remuneration Committee performs the specific support functions for the Board of Directors that it is assigned by the Supervisory Provisions of the Bank of Italy;
- the **Nominations and Corporate Governance Committee** has the task of assisting the Board of Directors in assessing and deciding the size and composition of the same Board of Directors. The Committee also has the task of assisting the Board of Directors to evaluate and decide on the corporate governance of the Company and of the Group through proactive and advisory preliminary functions;
- the **Related and Connected Parties Committee** – entirely composed of independent directors – performs the functions provided for under applicable legislation and the regulations issued by CONSOB and the Bank of Italy on transactions with related parties, as well as in the “Guidelines for managing transactions with related and connected parties” adopted by the Company which include, in particular, the task of expressing the required opinions on transactions with related parties of lesser or greater importance.

## 2.3 Poste Italiane’s SCIGR

Poste Italiane’s Internal Control and Risk Management System (hereinafter also denoted “SCIGR”), set in accordance with the international “Enterprise Risk Management Integrating with Strategy and Performance”<sup>4</sup> framework, is a set of tools, organizational structures, corporate rules and regulations designed to ensure sound and correct business practices, in line with the Group’s objectives. This is done through an appropriate process for delineating the roles of the various oversight bodies and control functions, and for identifying, measuring, managing and monitoring key risks, as well as by ensuring that there are adequate information flows designed to ensure that everyone has the information they need.

An effective SCIGR allows for the informed decisions to be taken on Company assets, and BancoPosta assets, ensuring the safekeeping of the same, as well as ensuring the efficiency/efficacy of company procedures, the reliability of information supplied to corporate bodies and all market disclosures, compliance with laws, regulations, as well as with Company Articles, rules, and regulations.

As a matter of legal compliance and industry best practices, the SCIGR’s actions unfold as follows:



4. Framework generated in 2004, and updated in 2017, by the Committee of Sponsoring Organization (CoSO) of the Treadway Commission.

Within the scope of the SCIGR, Poste Italiane has adopted and implemented a risk-management system aimed at providing a 360-degree, integrated view, and an unambiguous and effective response to the risks to which the Group is exposed, by establishing an integrated risk-management policy. Within the integrated risk-management process, using the support of a dedicated IT platform, different types of risks are identified and assessed. These would include: reputational, sustainability (i.e. Environment, Social and Governance - ESG), corruption and compliance.

Furthermore, Poste Italiane introduced additional, specific systems and models for risk monitoring and management within the broader Integrated Internal Control and Risk Management System, and which are able to bolster the efficacy of the same, for purposes including compliance with those governance objectives established by Decree 231, such as:

- the *Internal Financial Disclosure Control System*, a set of all tools necessary or convenient to direct, manage, and verify the reliability, timeliness, accuracy, and reliability of financial disclosures (used outside the company), including all periodic accounting documents (such as the annual, biannual, and quarterly financial reports) and other communications which are financial in nature;
- the *Integrated Management System*, adopted by Company to ensure quality of procedures and services offered, occupational safety and health, IT security, graft prevention, in order to ensure the utmost procedural/operational/resource efficacy and efficiency to all stakeholders, in accordance with the following international standards: UNI EN ISO 9001:2015 (quality management), BS OHSAS 18001:2007 (occupational safety and health), ISO 37001:2016 (to prevent those situations that might give rise to potential and/or crimes relating to corruption), ISO/IEC 27001:2013 and ISO/IEC 20000:2011 with respect to the management of data security, and for the management of IT systems which support company procedures. Within the scope of the Integrated Management System, Poste Italiane has launched a programme aimed at acquiring the related certifications;

Within the scope of the Integrated Management System, Poste Italiane has launched a programme aimed at acquiring the related certifications:

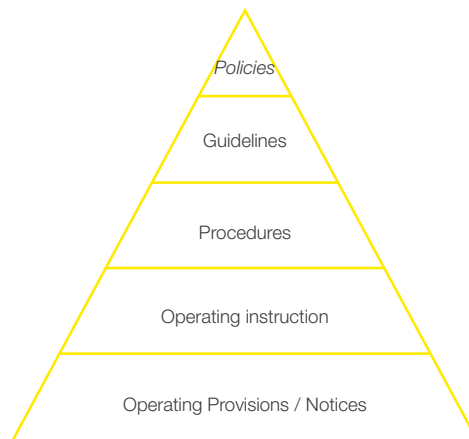
- the *Management and Control System for Tax-Related Risks* is a strategic tool which provides advance identification, monitoring, and management of the tax impact arising from any transaction relating to company business and is aimed at (i) achieving reasonable certainty that Company is applying the proper tax laws, and thus is subject to proper levels of taxation; and (ii) ensuring fortified, good-faith cooperation by the Company and its various tax/regulatory interlocutors;
- the *IT Security System*, intended to ensure ongoing reporting on adequate levels of confidentiality, integrity, and access to all data processed, and all services rendered, providing sufficient controls on compliance with all applicable domestic and international laws;
- the *Model in relation to efforts to combat money laundering and the financing of terrorism*. This has led to centralisation of the processes involved in managing, coordinating and implementing the related strategies and policies, creating a Group Anti-money Laundering function that also provides outsourcing services to Group companies subject to the related statutory requirements;
- the *Privacy Model*, implemented by the Company pursuant to the provisions of the European Regulation on Data Protection (EU Regulation no. 2016/679, "General Data Protection Regulation" or "GDPR") and the Italian privacy regulations established by Legislative Decree no. 196/03 (the "Privacy Act"), which establishes, to wit, the roles and responsibilities defined with respect to personal-data processing.

Moreover, Poste Italiane has identified the organizational function responsible for compliance with preventing corruption and graft, with the goal of ensuring that the anti-corruption management system conforms to applicable requirements and standards and ensures, through cooperation with the company functions with jurisdiction over the matter, all suitable training, informational, and awareness-raising programmes to be implemented.

Finally, Poste Italiane has signed a number of Memoranda of Understanding and partnership agreements with its institutional counterparts in order to manage risk, created to promote across-the-board lawfulness, transparency, and integrity, as against all stakeholders.

## 2.4 The Company's Regulatory System

The Company's Regulatory System (hereinafter, "CRS"), is a reference framework implemented by Company to promote standardised management, company-wide, of all compliance-related documents, and the information documented in Management Systems, by defining drafting criteria for all company regulatory instruments.



The CRS establishes the principles, architecture, and procedure for managing document classes, using a structured, hierarchical approach. To wit, the Company's Regulatory System establishes the hierarchy of documents and the approval levels for the same. The CRS furthermore establishes reviews for compliance documents at the drafting stage, contemplating specialised audits in order to ensure that the document meets the standards in question. Amongst the specialised audits is a review of the fitness of those control standards integrated into the document to govern those at-risk activities identified in the instant 231 Model.

Poste Italiane has, furthermore, implemented a "*Company Document Portal*" which allows for the management, publication, and dissemination of corporate documents, in accordance with an approval system, insofar as they reflect Business Process Model.

## 2.5 Group Code of Ethics and Policies

The Code of Ethics of the Poste Italiane Group, which is made available to all the employees of the Company and of its subsidiaries, lays down the guiding principles and the key directives that all the recipients of the Code are to comply with, including the rules of conduct that Suppliers and Partners are expected to comply with when carrying out the activities provided for in their contracts, as well as the relevant system of sanctions in case of violation of the rules.

The Code of Ethics, albeit vested with an independent significance, fits into an overall system to prevent those crimes contemplated under Decree 231, and represents a fundamental and structural element of the 231 Model because it establishes standards and rules of behaviour, to wit, lawfulness, impartiality, equity, respect and celebration of human dignity, transparency, completeness, confidentiality, quality, diligence, and professionalism. It is intended as a reference point for those policies and regulatory tools which govern at-risk activities.

Furthermore, the Company, in accordance with the principles governed by the Code of Ethics, and within the scope of its own Group Sustainability Strategies, adopted a specific set of Sustainability Policies. These align with Group strategies, objectives, and its national and international social and environmental-development goals.

Such Policies, listed infra, govern the general principles, objectives, and methods of management and reinforce the content of the Group's Code of Ethics:

- the Integrated Policy which sets forth the Company's pledge of strict compliance with all applicable laws, and the principles falling within the scope of the aforementioned Integrated Management System;
- company Policies regarding Protection of Human Rights, an expression of the Company's pledge to promote the safeguarding of human rights for those persons who work along its chain of values;

- the Environmental Sustainability Policy which binds Company to promote environmental protection;
- the Company Policy on Community Initiatives which reinforces the Company role in contributing towards meeting the needs of the socio-economic context, and the community, in which the company operates, placing (in that respect) attention on society's most vulnerable.

## 2.6 Centralisation and externalisation of these operations

With a view toward maximising the benefits on a Group level, and with a view toward responding in a more impactful way to the demands of the business, and of the market, Poste Italiane has launched a policy of programmes intended to centralise certain operational activities to ensure cost and procedural optimisation. Within that framework, as part of its optimisation of potential synergies within the Group, a plan to redefine the functioning model for certain key support functions, the implementation of which passes through a unified management integrated into operational activities, with a view toward improving economic performance, and to ensure uniform monitoring of such operations.

Furthermore, Poste Italiane avails itself of the support of companies within the Group, or outsourcers, to execute its own operations, provided that (in terms of liability) Poste Italiane shall remain bound to supervise the levels of service rendered by the outsourcer pursuant to what is set forth in the related service contract. With respect to delegating BancoPosta activities and functions to Poste Italiane, the relationships between the two entities are governed by specific Executive Orders.

Monitoring operations on service contracts / executive orders are governed within specific company garrisons that establish the following key aspects:

- roles and responsibilities within the scope of contract-management activities;
- minimum required standards for the management of outsourcing activities;
- ongoing control and monitoring of outsourced activities.

# 3. The Organization, Management and Control Model of Poste Italiane SpA

## 3.1 Purposes of the 231 Model

Poste Italiane SpA, including “Patrimonio BancoPosta”, adopts the 231 Model outlined herein with the aim of preventing the commission of crimes falling under Decree 231 (“predicate offences”) by Company representatives, in top positions or subordinated to higher management.

Poste Italiane SpA is fully committed to ensuring conditions of fairness and transparency in conducting corporate activities, and to protect its image and the expectations of its stakeholders and the work carried out by its employees and is aware of the importance of adopting an updated internal control system apt to preventing any misconduct by its directors, employees and business partners.

The 231 Model outlined herein has the purpose of building a structured and organic internal control system, apt to preventing the commission of the offences laid down in the Decree.

Art. 6 of the Decree 231 expressly provides that the organization, management and control models may be adopted on the basis of codes of ethics written by the representative associations of the entities.

In drafting the instant document, Company has taken into account the prescriptions of Decree 231, the directions taken by the courts on these issues, and established best practices, both with respect to the Guidelines established by Confindustria<sup>5</sup> and the Italian Banking Association<sup>6</sup> (hereinafter, “Guidelines”).

Consistently with the commitment always placed in the creation and maintenance of a governance system characterized by high ethical standards and efficient corporate management, ever since the early years immediately after the coming into effect of the law in question, the Company has carried out all the activities necessary to comply with Decree 231.

The first version of the 231 Model was adopted by the Board of Directors of Poste Italiane SpA on 3 March 2003.

Ever since it was first adopted, the Company has pursued the following objectives:

- ban behaviours possibly constituting the predicate offences laid down in Decree 231;
- raising awareness on the fact that violating Decree 231 and the provisions contained in the 231 Model and/or of the principles of the Group’s Code of Ethics, may entail the application of the sanctioning measures (pecuniary and/or interdictory), also on the Company;
- disseminating a business culture grounded on legality and on the awareness of the express condemnation by Poste Italiane SpA of any unlawful behaviour and non-compliance with regulations and internal rules and, in particular, with the provisions contained in the 231 Model and in the Group’s Code of Ethics;
- giving proof of the existence of an effective organizational structure consistent with the operational model adopted, especially in relation to the clear attribution of powers, the decision-making process and the transparency and reasons thereof, the controls, both prior and subsequent, the acts and activities, as well as the correctness and truthfulness of information provided internally and externally;
- enabling the Company, through its control system and the constant monitoring of the correct implementation of the system, to prevent and/or promptly counter the commission of the relevant offences contained in Decree 231.

5. Guidelines for the construction of Organization, Management and Control Models in compliance with Legislative Decree no. 231 of 8 June 2001 - Confindustria (updated in March 2014).  
6. Guidelines of the Italian Banking Association (ABI) for the adoption of organizational models on the administrative liability of banks (Legislative Decree no. 231/2001) - Document published by ABI in February 2004.

The Company subsequently provided to continuously make the necessary updates with the aim of:

- supplementing the contents of the 231 Model consistently with the legislation that subsequently introduced new categories of predicate offences;
- taking into account the orientations laid down in case opinions over time on the liability of entities for criminal offences, both on procedural and on substantive matters;
- incorporating the developments in best practices and in the Guidelines of reference;
- adequately reflecting on the developments in the Company's business and organizational setup.

## 3.2 Recipients

The recipients of the provisions of the 231 Model, in accordance with Decree 231 and within the respective scope of competence, are considered to be the members of the corporate bodies, the management and the employees of Poste Italiane SpA, as well as all those who work to achieve the purpose and objectives of the Company (hereinafter also denoted "Recipients").

## 3.3 Structure of the Model

The instant 231 Model includes a General Section and Special Parts.

The General Section includes the following components, in the following order:

- a brief description of the regulatory framework, including a detailed list of the criminal offences (Annex no.1);
- company's structure, governance, and its Internal Control and Risk Management System;
- the aims, recipients, and fundamental elements of the instant Model;
- the rules concerning the establishment of the Supervisory Body;
- the applicable sanctions in case of violation of the rules and provisions contained in the 231 Model;
- personnel recruitment and training and application of the Model;
- the modalities through which the Organizational Models are adopted by the subsidiaries, and in coordination with the SB;
- the rules regulating the Model dissemination and updating procedures.

The Special Sections containing the description of:

- different predicate offences concretely and potentially relevant in the Company, singled out on the basis of the peculiar characteristic of the activities performed by Poste Italiane SpA;
- sensitive or "at risk" activities;
- specific rules of behaviour and control principles.

Furthermore, the Code of Ethics constitutes an integral part of the Model, in which general principles and values to which activities of all those who, for any reason, operate on behalf of the Company, shall aspire.



## 3.4 Premise of the Model

In preparing the Model, the Company took into consideration its own internal control system with a view to verifying its capacity to prevent the criminal offences laid down in Decree 231 in performing the activities identified to be at risk, as well as the ethical and social principles that the Group applies in the conduct of business.

More in general, Poste's internal control system aims to ensure, with a reasonable amount of certainty, the achievement of the operational, information and compliance objectives. In particular:

- the operational objective of the internal control system concerns the Company's effectiveness and efficiency in using resources, protecting against losses, and protecting the Company's assets. This system also aims to assure that the personnel work in the pursuit of the Company's goals without favouring interests other than those of Poste Italiane SpA;
- the information objective translates into providing for prompt and reliable relations in the interest of the Company's decision-making process, both internally and externally;
- the compliance objective instead guarantees that all operations and actions are conducted in compliance with laws and regulations, prudential requirements and in-house corporate procedures.

Poste Italiane's internal control system is grounded on the following elements:

- integrity and values inspiring day-to-day operations across the Company, also expressing the style of the Company's Board of Directors and Management;
- a formalized organizational system clearly attributing powers and responsibilities (including the concept of accountability) consistently with the performance of the tasks assigned;
- focus on the personnel competence managing system in the light of the goals achieved;
- identifying, assessing and managing risks that could undermine the achievement of the Company's goals;
- defining corporate procedures, which form part of the Company's comprehensive regulatory system, outlining the controls put in place to detect risks and the achievement of the established goals;
- Information systems suitable to support the Company's processes and the comprehensive internal control system (IT, reporting, etc.);
- internal communication processes and personnel training;
- monitoring systems integrating line checks.

All Recipients, within their own scope of competence, are responsible for the definition and the correct functioning of the control system through line checks, consisting of all the control activities performed by single offices on their processes.

## 3.5 Essential elements of the Model

In relation to the needs set forth in Decree 231, the essential elements developed by Poste Italiane SpA in designing the Model may be summarized as follows:

- identifying the Company's activities in the exercise of which predicate offences giving rise to the liability defined in Decree 231 ("sensitive activities" or "at-risk activities") could be committed, by analysing corporate processes and the possible ways in which the criminal offence could be committed;
- drafting and updating regulatory instruments for the processes deemed to be at risk of committing a criminal offence, aimed at expressly regulating the Company's decision-making and implementing process so as to provide specific indications on the preventive control system for the single offences to prevent;
- adopting ethical principles and behavioural rules aimed at preventing behaviours that could include the predicate crimes, or which violate the principles of the Code of Ethics of the Poste Italiane Group, and more specifically, as set forth in this Model;
- appointing a Supervisory Body tasked with supervising the tangible and effective application of the Model in compliance with Art. 6, point b), of Decree 231;

- providing for and implementing a disciplinary system capable of assuring the effectiveness of the Model, with an explicit provision of those disciplinary measures applicable in case of non-compliance with the measures indicated in the Model, and the disciplinary sanctions to be meted out as a consequence;
- providing information, awareness-raising, dissemination and training activities on the contents of the Model and on the behavioural rules applied for all corporate levels;
- adoption and effective application of the Model and the necessary amendments and supplements thereto (see Paragraph 8, "Updating the Model").

## 3.6 Identification of sensitive activities

Art. 6, Para. 2, letter a) of Decree 231 expressly provides that the entity's Model identify the corporate activities in the context of which the criminal offences laid down in the same Decree 231 could be committed.

In accordance with the aforementioned regulation, and bearing in mind the methodology used in the Guidelines, which are predicated on the updated framework of Poste Italiane SpA processes (Business Process Model), and the organizational responsibilities as codified therein, certain sensitive activities within the Company and with respect to the crimes punishable under Decree 231 were identified (through an in-depth analysis of the interested processes).

To this end, the Company carries out a thorough and capillary risk assessment with the aim of identifying the areas of activity in which it is possible to detect the theoretical risk of committing the criminal offences laid down in Decree 231 as well as the functions responsible thereof, taking into consideration the organizational model adopted and the operational processes in place. Especially important for the performance of the risk assessment are the activities in which the risk of committing predicate offences could abstractly materialize, in addition to the areas entailing activities that could be instrumental to committing the aforesaid offences.

The analysis of the risks – which feed the "Matrix for Identifying At-Risk Activities ("MIAR") which is periodically updated, is performed by the Group Risk Governance Function within the area of Corporate Affairs which submits it to the same Supervisory Body for possible amendments and/or supplements to be brought to Model 231.

The map of the operational contexts possibly exposing the Company to different risks of committing the crimes envisaged in Decree 231 singles out the specific control elements applicable and outlines the possible ways of supplementing and/or enhancing the controls already in place (in the light of the outcome of the gap analysis).

On the basis of the indications and the results of the overall analytical activity outlined above, the Company's single functions responsible – after assessing the risks identified and outlining the policies to manage them – implement regulatory measures for the activities at risk with the support of the competent corporate functions, in line with the internal regulatory system.

## 3.7 Control principles

The instant Model identifies the control principles and the rules of behaviour established to control various at-risk areas, aimed at preventing the risk of committing the crimes contemplated under Decree 231, as set forth as follows:

- *general control principles*, applicable to any at-risk activities identified in the present Model;
- *behavioural rules*, or specific rules which govern the behaviour to be followed in the management of the at-risk activities;
- *specific control principles*, which contemplate specific provisions aimed at governing the specific aspects of the at-risk activities, and which must be reflected in the company's compliance tools.

## General Control principles

With reference to the at-risk activities, the following general control principles shall be followed:

### **Behavioural rules:**

- defining the general rules of conduct to govern the activities as performed within the specific code of conduct and/or policies.

### **Definition of duties and responsibilities:**

- defines the duties and responsibilities of the organizational units at all levels, uniformly identifying the activities for which each unit is competent within the scope of internal regulations, made available within the organization.

### **Protocols and internal rules:**

- regulation of the various sensitive activities through corporate regulatory instruments in a manner that, at any point in time, it might be possible to identify the operational procedures applied to the performance of activities, the relative controls and the responsibility of the person who carried out the act;
- tracing sensitive activities to the organizational responsibility of corporate Functions.

### **Segregation of duties:**

- a separation of duties and functions within each at-risk company process, with a distinction amongst those who execute, those who monitor, and those who authorise it;
- segregation of duties amongst those who make and implement decisions, those who process accounting evidence for the operations decided and those whose duty is to subject them to the controls provided for by law and by the procedures envisaged in the internal control system.

### **Delegation of Authority and Signature Authorization:**

- outlining a delegation system to clearly identify and specifically assign powers and limits to the people whose actions are binding for the company and who manifest the company's will;
- congruence between organizational powers and the power of signature (mandates, powers of attorney and related spending limits) with the organizational responsibilities assigned;
- congruence between powers of attorney and the internal delegation-of-authority system;
- implementing mechanisms to disclose to external interlocutors the powers of attorney assigned to first levels;
- defining reporting mechanisms to inform on delegated powers and their relative powers of attorney;
- identifying mechanisms to revoke the powers of attorney and the delegation of powers;
- identification, within the procedure of delegation-of-authority procedure:
  - Of the position held in the organization by the delegated person in relation to the specific scope of the delegated powers;
  - Of the express acceptance by the person receiving the delegated or sub-delegated functions and of the relative duties;
  - Of the limit of expenditure imposed on the delegated person;
- delegation of authority predicated on:
  - The delegated person's decision-making and financial autonomy;
  - The delegated person's adequate technical and professional qualification;
  - The availability of adequate autonomous resources for the performance of the task and for giving continuity to the job;
- an internal system to publicize the powers of attorney and the delegation of authority by publishing on the intranet the "*Compendium of powers*", which will represent a summary of the primary system of delegating authority.

### **Control and traceability systems:**

- codifying, as part of the Company's compliance tools, of the method of execution of the controls (liability, evidence, periodicity);
- the documents concerning sensitive activities must be adequately formalised and contain the date of compilation, proof that it was viewed and the recognizable signature of the compiler/supervisor; the document must be filed in an adequate storage place in order to protect the confidentiality of the data contained therein and prevent it from being damaged, deteriorated and lost;
- the acts must be traceable in terms of their formation and their authorization levels, the development of operations, materials and registrations, with evidence of their reasons and causes, in order to assure the transparency of the decisions taken;

- contemplating sufficient monitoring activities on the part of the company functions pursuant to their organizational responsibilities, whilst logging the controls as conducted, and any non-conformities discovered;
- implementing IT systems, when and where possible, which ensure the proper and truthful attribution of each transaction (or any portion thereof) to the person in charge and to the other people involved. The system must not allow for any (untraceable) change to be made to the files;
- filing, by the designated function, of all documents involving Company operations and, in particular, of the documents or the digital documentation relating to at-risk activities in a read-only format, absent express editing authority;
- access to filed documents must always be justified and only be allowed to the people authorized on the basis of internal rules or to a person delegated thereby, to the Board of Statutory Auditors or another corporate body holding equal status or to other internal control bodies, the Audit firm and the Supervisory Body.

## Behavioural Rules

All activities contemplated in the Model's Special Parts, shall be carried out in accordance with applicable laws, and the Poste Italiane rules of behaviour, the values, the Code of Ethics, policies, and procedures. To wit, the instant Model identifies, within each Special Part, the specific behavioural rules which define, in greater detail, the rules of behaviour required/restricted to prevent the commission of predicate crimes under Decree 231.

## Specific control principles

The instant Model has identified, in each Special Part, the principles of specific controls to govern those at-risk activities identified with respect to each category of crime. These principles shall be incorporated into the company's organizational/procedural controls so that they might be implemented as part of related at-risk activities.

## 4. Supervisory Body

### 4.1 Identifying the Supervisory Body

Article 6 (1) of Decree 231 envisages that the function of supervising and updating the Model be entrusted to a Supervisory Body within the Company which, endowed with autonomous powers of initiative and control, should perform its functions on an on-going basis.

The Supervisory Body of Poste Italiane SpA consists of three members, of which two external members and one internal member.

The external members of the Supervisory Body, one of whom is also the Chairman, shall be identified amongst individuals with proven experience and competence in Economics, Company Organization, Administrative Liability of companies and legal issues, and must meet the requirements of eligibility, professionalism and independence as envisaged for the Board Members.

In order to ensure continuity of action of the Supervisory Body, the internal member of the Supervisory Body shall be chosen among the heads of the corporate functions that are not attributed management – and in any case operational – roles and that possess adequate prerequisites of independence, professionalism and honourability.

The members of the Supervisory Body shall be appointed by the Board of Directors that also decides their remuneration.

The Supervisory Body shall hold office for three years and its external members may be re-appointed for a second term only once.

In any case, upon expiry of their mandate, the members of the Supervisory Body remain in office until a new Supervisory Body 231 is appointed by the Board of Directors.

There is no prejudice to the resignation of a member of the Supervisory Body which is immediately effective.

The Supervisory Body has autonomous powers of initiative and control and draws up its own Internal Rules. It is also endowed with a Group Risk Governance/ Oversight 231 function within the area of Corporate Affairs that assists it in its operations, also with a view to ensuring constant interaction with the Company's functions of reference for gathering information and carrying out the investigations as may be necessary.

### 4.2 Grounds for Ineligibility, Disqualification or Revocation of the Supervisory Body

The existence of any of the following circumstances constitutes a cause for ineligibility and disqualification of the members of the Supervisory Body:

- having held office as executive board member, during the three fiscal years before being appointed member of the Supervisory Body, of companies in bankruptcy, compulsory administrative liquidation or equivalent procedures;
- indictment for any of the predicate offences of the same nature as those provided for in Legislative Decree 231;
- having been convicted, even if only by a lower level court, or having received a penalty resulting from plea bargaining, in Italy or abroad, for offences of the same nature as those provided for in Decree 231;
- direct or even only potential conflict of interest that could undermine the independence or autonomy of the individual in performing the functions and/or duties of the Supervisory Body

The members of the Supervisory Body would be instantly disqualified if, during their three-year term of office, they were to lose any of the requirements on the basis of which they were appointed. Upon taking office, the members of the SB shall affirm that they are not subject to any statutory restriction against holding office, and be under an ongoing duty of disclosure with respect to the same, and will pledge compliance with the Code of Ethics and the 231 Model.

Other causes for disqualification of the Members of the Supervisory Body are listed below:

- failure to exercise oversight or insufficient oversight by the Supervisory Body due to a conviction, even if only by a lower court, of the Company in pursuance of Decree 231 or due to a conviction resulting from plea bargaining;
- material breach of the functions and/or duties of the SB, or any breach of the Code of Ethics and the 231 Model.

Disqualification is imposed through a resolution of the Board of Directors and approved with a two-thirds majority of members present and after hearing the other members of the Supervisory Body and the Board of Statutory Auditors.

In case a member of the Supervisory Body were to be disqualified or if his mandate were revoked, the Board of Directors would immediately find a replacement.

## 4.3 Powers and Functions of the Supervisory Body

To carry out its activities, the Supervisory Body may access, through the Company data bases, to any Company document and information that is relevant for the performance of its functions and, where necessary, it may also directly interview the employees of the Company.

For matters covered by the Decree, the task of overseeing the functioning of and compliance with the 231 Model is performed by the Supervisory Body also by examining all the auditing reports drawn up by the Internal Audit Function, or by other Company functions having control tasks on Decree 231 matters; copies of the documents they send to the Chairman, C.E.O. and Control, Risk and Sustainability Committee of the Company are also forwarded to the Supervisory Body.

The task of keeping the 231 Model updated with the changes occurring in the organizational structure and following other new circumstances, is carried out by the Supervisory Body by submitting motivated proposals to the C.E.O. who puts them to the Board of Directors for its approval.

In order to ensure continuous access to the system of representation and powers of attorney conferred on the employees, the Supervisory Body shall refer to the Company data base which is used to store and update documents.

The Board of Directors shall make available all the necessary Company resources that the Supervisory Body may need to perform its functions and, in drawing up the Company budget, it shall approve - on the basis of the proposal made by the Supervisory Body itself - an adequate amount of financial resources for the Supervisory Body to adequately carry out its tasks.

In discharging their duties, the SB shall meet, as a general rule, once every two months, pursuant to a specific meeting schedule.

Furthermore, as regards sensitive activities, through the functions Internal Audit and Internal Control of BancoPosta, the Supervisory Body shall draw up an Annual Plan of inspections aimed at verifying that the actual sufficiency and application of the internal rules and regulations in terms of those controls intended to prevent the commission of those crimes contemplated under the law in question. This inspection program may vary on the basis of requests for the intervention of the Supervisory Body and in the presence of issues that may emerge from the analysis of flows and reports. In any case, the Supervisory Body is empowered to make spot checks whenever deemed appropriate.

With a view to implementing and updating the Model, and where deemed necessary, the Supervisory Body may hire external professionals, subject to compliance with Company procedures for contracting professionals, after having informed the Chairman and the C.E.O.

## 4.4 Reporting by the Supervisory Body to Corporate Bodies

The Supervisory Body shall report on its activities to the Board of Directors, the C.E.O., the Control, Risk and Sustainability Committee and in particular:

- *on an ongoing basis*, to the Chairman of the Board of Directors and to the Chief Executive Officer;
- *on a six-monthly basis*, it shall send to the Control, Risk and Sustainability Committee, Board of Directors and Board of Statutory Auditors, through efforts including a report on the implementation of the Model, as well as by reporting any important information of a general nature about the adoption of the Organizational Model by the subsidiaries.

The Supervisory Body may be convened at any moment by the Board of Directors and by the Board of Statutory Auditors to report on the functioning of and compliance with the Model or on other specific circumstances.

## 4.5 Information Flows to the Supervisory Body

The disclosure directed to the SB, and aimed at facilitating analyses performed on an ongoing basis, including with respect to the potential risk, and to the company controls as implemented, with reference to the at-risk 231 areas, and thus through accessing company records and information of specific interest. Indeed, Art. 6, paragraph 2, subpart (d) of the 231 Decree contains an express citation of those requirements that a 231 Model must meet, the contemplation of the information flows in accordance with the "disclosure duties as toward the entity tasked with supervising the functioning and compliance of the models".

Information regarding the following shall be promptly forwarded to the SB:

- requests for information or provisions, reports or letters sent by the Supervisory Authority (e.g. Bank of Italy, CONSOB, AGCOM) and any other document that may derive from the inspections performed by the latter bodies that are pursuant to Decree 231;
- outcome of the inspection activities carried out by the people in charge of the various Company functions which have revealed facts, acts, circumstances or omissions that are of critical importance with regard to compliance with the rules of Decree 231 or with the Model;
- communications relative to the primary system of delegating authority, amendments to the by-laws or to the Company's organization chart;
- information concerning the implementation of the Model at all Company levels with evidence of the investigations carried out and disciplinary measures adopted or of the resolutions dismissing these proceedings with their relevant motivations;
- reporting severe fatal accidents or accidents with a prognosis of more than 40 days involving employees, contractors and/or associates present in the Company's workplaces;
- measures and/or news from the judicial or tax police or from any other authority, even administrative authorities, that involve the Company or top executives, from which it can be inferred that investigations are underway, also into unidentified parties, for offences pursuant to Decree 231, without prejudice to the legal requirement of confidentiality and secrecy;
- disclosures to the court authorities regarding potential or actual unlawful events referred to the fact patterns contemplated under Decree 231, subject to the duties of confidentiality and secrecy as statutorily or contractually imposed;
- requests for legal assistance submitted by Senior Executives and/or Employees in respect of whom the judiciary is bringing proceedings, in particular for offences pursuant to Decree 231.

In addition, the relevant Company functions forward to the Supervisory Body a flow of information on a periodic or ad hoc basis in compliance with specific Company guidelines.

All the information, documentation, and reports gathered during the implementation of the tasks of the Supervisory Body shall be filed and stored by the latter, taking care that the documents and information gathered be protected as required by privacy laws.

## 4.6 Whistleblowing

As a matter of the statutory and regulatory framework, and pursuant to established best practices, Poste Italiane has instituted a reporting system which may be freely used by employees and members of the corporate bodies, as well as any third party in any type of business relationship with Poste Italiane (e.g. customers, suppliers, consultants, etc.).

Employees have the option to submit substantiated reports on unlawful conduct, predicated on specific, corroborated facts, or violations of the instant 231 Model, of which the employee has been apprised in the performance of his/her job duties, through channels of communication established by the Company pursuant to the provisions of Law no. 179 of 30 November 2017, and which set forth “Whistleblower Safeguards”, and as governed by the Whistleblowing Guidelines:

- “*Whistleblowing Portal*” which can be accessed from the company’s official website [www.posteitaliane.it](http://www.posteitaliane.it) and from the Company intranet;
- regular post, at: Comitato Whistleblowing, Viale Europa n. 190 - 00144 Roma (only when the above portal is unavailable).

In managing these reports, the identity of the person reporting the irregularities (“whistle-blower”) shall be kept strictly confidential, using secure protocols. The whistleblower’s identity cannot be revealed without the whistleblower’s consent, except insofar as permitted by applicable law.

Furthermore, the Company protects the whistleblowers from any form of direct or indirect retaliation or discrimination for reasons directly or indirectly linked to the reported case.

Sanctions apply to those who breach any whistleblower protections, as well as anyone who, either intentionally or through gross negligence makes a report which is discovered to be unfounded, pursuant to the sanction system contained in Par. 5 of the Model’s General Part, applicable for any breach of the provisions of the instant Model.

Reports shall be made in good faith (anonymous reports are not allowed), and shall set forth the useful elements to be able to conduct the audits and evaluations which are needed to determine whether the same is founded.

The report intake / management modalities are governed by the aforementioned Whistleblowing Guidelines, with a specific reporting duty as against the SB – through the Group’s Risk Governance / 231 Compliance function, under the aegis of Corporate Affairs – with respect to reports and facts which are material under Decree 231, noting the decisions taken by the Whistleblowing Committee.

In any case, should the Supervisory Body deem it convenient to proceed to further ascertain the facts, it may be assisted by its internal control functions.



# 5. Disciplinary actions

## 5.1 Foreword

The definition of a system of disciplinary actions, applicable in case of infringement of the provisions of this Model, is a necessary condition to ensure that the Model is effectively implemented and is an essential element in order for the Company to benefit from the exemption from administrative liability (Article 6 (2) letter e) of Decree 231).

The implementation of disciplinary actions is independent of the outcome of any criminal proceedings initiated by judicial authorities where the infringement constitutes an offence under Decree 231.

The penalties applicable vary depending on the nature of the relationship between the perpetrator and the Company, and on the importance and severity of the infringement and of the role and responsibility of the perpetrator. In particular, the penalties take into account the degree of carelessness, malpractice, negligence, intentionality of the conduct involving the action/omission, also taking into account recidivism, the tasks carried out by the perpetrator and his/her functional position, together with the other specific circumstances that may have characterized the action.

In general, violations may involve the following behaviours:

- behaviours that involve an unintentional failure to implement the provisions of the Model and/or Code of Ethics and the Company's directives, procedures or instructions;
- behaviours that entail a malicious violation of the provisions of the Model and/or Code of Ethics such as to undermine the trust-based relationship between the perpetrator and the Company because the transgression was unequivocally intended to commit an offence;

classified as follows:

- violation, also through omissions and in complicity with others, of the provisions of the Model or of the procedures established for implementing the Model and the Code of Ethics;
- the drafting, in collusion with others, of forged or untruthful documents;
- enabling, through omissions, the violation of the Model and of the Code of Ethics and the drafting, by others, of forged or untruthful documents;
- failure to draw up the documentation envisaged by the Model or by the procedures adopted to implement the Model.

The disciplinary procedure is, in any case, managed by the competent function and/or corporate bodies that report the matter to the Supervisory Body.

Below is the list of penalties broken down by type of relationship between the perpetrator and the Company. This list is complementary to the document "The SGSSL OHSAS 18001 Disciplinary System", to which reference can be made for further examples/details.

## 5.2 Sanctions for employees

As regards employees, the Company complies with the provisions of Article 7 of Law 300/1970 (Workers' Statute) and with the provisions contained in the applicable National Collective Labour Contract, both as regards the applicable penalties and the implementation procedures.

Non-compliance by employees of the provisions of the Model and/or of the Code of Ethics and of all the documentation annexed to it, constitutes a breach of their obligations under the employer-employee relationship as per Article 2104 of the Civil Code and a disciplinary offence.

In particular, the adoption of a behaviour by an employee of the Company that – on the basis of the previous paragraph – qualifies as a disciplinary offence, is also a violation of the employee's obligation to perform the tasks assigned to him/her with the duty of care in accordance with the directives of the Company, as laid down in the applicable National Collective Labour Contract in force.

Upon notice of a violation of the Model, a disciplinary procedure will be initiated to ascertain that the violation has been committed. In particular, during the investigation phase, the employee shall be informed of the allegation and will be given sufficient time to reply. Once the violation has been confirmed, a disciplinary penalty that is proportionate to the severity of the violation, will be imposed on the perpetrator.

The penalties envisaged in the applicable National Collective Labour Contract which may be imposed are, by way of example, listed below:

- verbal reprimand;
- written warning;
- fines up to a maximum of four hours of pay;
- suspension from work with deduction of up to a maximum of ten days;
- dismissal with notice;
- dismissal without notice.

In order to highlight the correlation criteria between violations and disciplinary measures, it is specified that:

- disciplinary action without dismissal applies to an employee who:
  - violates the provisions of the Model and of all the documentation that is an integral part of the Model, or adopts a conduct, in carrying out activities at risk, that is not consistent with the provisions of the Model, conduct that is tantamount to non-compliance with the orders issued by the Company;
- disciplinary action with dismissal applies to any employee who:
  - in carrying out activities at risk, adopts a conduct that is not consistent with the provisions of the Model, and with all the documentation that is an integral part thereof, and that reflects a degree of non-compliance with the rules and failure to ensure duty of care in implementing his/her contractual obligations such as to severely undermine the Company's confidence in the employee;
  - in carrying out activities at risk, adopts a conduct that openly puts him/her in contrast with the provisions of the Model and with the documents that are an integral part thereof, and such as to constitute the grounds for the application to the Company of the measures laid down in Decree 231, a conduct, therefore, that causes serious moral and material damage to the Company such as to make it impossible for the labour relationship to continue, not even temporarily.

The Company shall not adopt any disciplinary measure against an employee without complying with the procedures envisaged by the National Collective Labour Contract applicable to the individual cases.

The principles of correlation and proportionality between the violation and the penalty applied shall be guaranteed by compliance with the following criteria:

- severity of the violation
- tasks, role, responsibility and autonomy of the employee;
- predictability of the event;
- intentionality of the conduct or degree of negligence, carelessness, malpractice;

- overall behaviour of the perpetrator of the violation with regard to prior disciplinary measures, if any, envisaged by the applicable National Collective Labour Contract;
- complicity of several employees in committing the violation;
- other special circumstances characterizing the violation.

It is understood that all the provisions and guarantees concerning disciplinary procedures envisaged in the National Collective Labour Contract shall be complied with; in particular, compliance is ensured with:

- the obligation to inform the employee of the offence he/she is charged with and of the deadline within which he/she can submit justifications or be heard for his/her defence;
- the obligation not to adopt a disciplinary measure, if it is more severe than verbal reprimand, before expiry of the minimum term envisaged in Article 7 of the Workers' Statute from written notification of the charge, during which time the employee may submit his/her justifications;
- the employee may submit his/her justifications also verbally, with the assistance of a representative of the Trade Union Association of which he/she is a member or to which he/she confers mandate, of a member of the RSU trade union representation, if any;
- the obligation to inform the employee in writing that a disciplinary measure is being adopted before and not later than the maximum term envisaged by the respective National Collective Labour Contract from the expiry of the term assigned to the employee for submitting his/her justifications. If this is not the case, the disciplinary measure is dismissed.

The existence of disciplinary measures for violations of the provisions of the Model and of the documents that are an integral part thereof, must necessarily be notified to the employees through means deemed to be the best suited by the Company.

## 5.3 Sanctions for executives

In case of violation by Company executives of the internal rules envisaged by this Model or, in carrying out activities at risk, a conduct is adopted that does not comply with the provisions of the Model, appropriate measures shall be taken against those responsible, in line with the provisions of the National Collective Labour Contract for Managers of goods and services corporations. If the violation is such as to undermine the trust-based relationship between Company and executive, the penalty shall consist in dismissal for just cause.

## 5.4 Disciplinary measures against Directors and Statutory Auditors

The Supervisory Body shall inform the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors about reports of violations of the Model or violations of the Ethics Code by Board Members and by Members of the Board of Statutory Auditors that are not deemed to be clearly unsubstantiated so that they can refer the matter to the Boards that they chair, and to take all steps convenient thereto. Articles 2392 and 2407 of the Civil Code shall likewise apply.

## **5.5 Disciplinary measures against members of the Supervisory Body**

In case of violation of this Model or of the Code of Ethics by any member of the Supervisory Body, the other members of the Supervisory Body or any of the auditors or directors of the Board shall immediately inform the Board of Statutory Auditors and the Board of Directors of the Company. These bodies, subject to written notice of the violation and after acknowledging any defensive explanation provided by the perpetrator, shall adopt the relevant disciplinary sanctions, including, for example, dismissal from office.

## **5.6 Measures against Suppliers, Contractors, Partners and Consultants**

Violations by Company Consultants, of Shareholders of companies and entities in which Company has an equity interest, Suppliers (of goods and services), or Partners, of the provisions of the Decree and/or of specific clauses on enterprise rules of conduct – defined according to the Code of Ethics and contained in any contract that the Company might have entered into – may be cause for terminating the contract; the violation shall therefore be reported post-haste and by the person who discovered it, pursuant to internal rules and regulations, in order to allow the proper parties with the Company to assess the matter accordingly. Termination of the contract entails the ascertainment of any damage possibly suffered by the Company and the consequent claim for compensation. In case the Company decides not to proceed to terminate the contract because it deems that its termination would represent a serious damage for the Company, the C.E.O. shall inform the Supervisory Body thereof.

## 6. Personnel recruitment and training and application of the Model

When recruiting new staff, the Human Resources and Organization Function, with the advice and consent of the SB, uses a specific evaluation system based on criteria of impartiality, merit and professionalism that also takes into account Company needs with regard to the implementation of Decree 231.

Personnel training, with regard to the implementation of the Model and its dissemination within the Company, is managed by the Human Resources and Organization Function, with the advice and consent of the SB, and is articulated and modulated according to the different activities at risk and personnel involved, according to the segmentation described in the following:

- *Company management: upgrading and awareness raising conferences are organized on all the issues related to the provisions of Decree 231. In particular, these conferences are held periodically to share the evolutions of the Model and changes in responsibility for the individual procedures identified in accordance with Decree 231;*
- *All employees: are recipients of the training that is also provided online with a special focus, inter alia, on the sensitive areas delineated in the Model.*

Participation in the training sessions is mandatory.

The training as provided is monitored by Human Resources and Organization functions to ensure that all recipients participate. In addition, Human Resources and Organization constantly monitor any training requirement arising from the need to update the Model and/or for any other relevant aspect linked to the legislation on this issue.

Regarding the modalities for disseminating information about the Model, the following is envisaged:

- *New hire: delivery, upon hiring, of the Code of Ethics of the Poste Italiane Group, and the Group's Integrated Policy, as well as any further notices or policies, including any specific notice on the adoption of the Organisational Model by the Company, including through the letter of hire and/or the company's intranet portal.*
- *All personnel: specific information sheet on the provisions of Decree 231. Furthermore, access is facilitated to the section dedicated to the Model on the Company intranet portal to enable the widest possible diffusion of the information.*

A 'trickle down' communication process is envisaged that goes from the function managers to their subordinates involved in the management/implementation of regulatory instruments.

In addition, external individuals who entertain contractual relationships of any kind with the Company are informed, also via specific clauses in the contracts, that Poste Italiane has adopted an Organizational Model and specific procedures in compliance with Decree 231, as well as a Code of Ethics, of the Integrated Policy, and the Policy in respect of the Poste Italiane's Human Rights Policy, and they shall undertake to abide by the same.

## **7. Adoption of the Organizational Models by the Companies belonging to the Poste Italiane Group and coordination among the Group's Supervisory Bodies**

Poste Italiane encourages all its Subsidiaries to adopt and effectively implement its own organizational models.

Model 231 of Poste Italiane is also a point of reference for the definition of the Organizational Model of each of its subsidiaries.

Poste Italiane has drawn up specific guidelines on the application of Decree 231 within the Poste Italiane Group aimed at raising the awareness of each Company of the Group on the importance of defining an updated internal control system that is suited to preventing illicit actions by its representatives, employees, managers, partners and suppliers and of anyone operating in their interest.

These guidelines, to be transposed by the Companies of the Poste Italiane Group, lay down the general requirements of reference that the Companies of the Group are to refer to in adopting and updating their 231 Models, appropriately adapting them to take into account the specific business and organizational structure of each Company.

Each Company of the Group shall adopt and implement its own 231 Model so that it may be an adequate instrument for correctly carrying out its business. In exercising their autonomy, each Company of the Group is responsible for the adoption and implementation of its 231 Model.

These Guidelines also define how to coordinate the Supervisory Bodies of the Poste Italiane Group. The coordination activity is performed with the support of the Group's Risk Management function within the area of Corporate Affairs, consistently with the activity of management and coordination implemented by the Parent Company within 231 Governance overall.

## 8. Updating the Model

Verifying the updating and effective implementation of the Model is a task of the Board of Directors that has the power to amend the Model through resolutions adopted in compliance with the modalities envisaged for the adoption of the Model itself.

The C.E.O. of Poste Italiane SpA has the option to officially modify or supplement the text or introduce amendments to the document made necessary by any change that might take place in the internal organization provisions, which must be specifically reported to the Board of Directors.

Updating the Model, namely making additions to it and amending it, is aimed at ensuring that the Model is adequate and suited to performing the function of preventing the offences envisaged in Decree 231.

It is the Supervisory Body that has the task of verifying in practice the need or desirability to proceed with the updating of the Model and brings the matter to the attention of the Board of Directors. Within the framework of the powers conferred upon it under Article 6 (1) letter b) and Article 7 (4) letter a) of the Decree, the Supervisory Body has the responsibility to make proposals to the C.E.O. requesting that the current Model be updated and the C.E.O. puts the request to the Board of Directors for its approval.

In this regard, the Supervisory Body is assisted by the Group Risk Governance/ Oversight 231 function within the area of Corporate Affairs, that takes care of the activities conducive to updating the Organizational Model, monitoring the regulatory developments and the company context.

In any case, the Model needs to be amended and supplemented in a timely fashion by the Board of Directors, which may occur upon proposal by, and after having consulted with, the Supervisory Body, in the case of:

- violations and avoidance of the provisions contained in the Model that have proved them to be ineffective or inconsistent in preventing offences;
- significant changes in the internal structure of the Company and/or in the way in which the business is carried out;
- Regulatory amendments and evolution of case law.

The Supervisory Body shall always be informed of any amendment, update and supplement to the Model.

# SPECIAL PARTS

## Omissis



# Annex 1

## 1. Misappropriation of funds, fraud against the Government or a public entity or for the purpose of obtaining public funds and cyber fraud against the Government or a public entity (Art. 24, Decree 231);

- Misappropriation to the detriment of the State (Article 316-*bis* Criminal Code)
- Undue receipt of public grants to the detriment of the State (art.316-*ter* Criminal Code)
- Fraud to the detriment of the State or other public body or of the European Communities (art.640, comma 2, n.1, Criminal Code)
- Aggravated fraud aimed at obtaining public funds (Article 640-*bis* Criminal Code)
- Information technology fraud to the detriment of the State or other public body (Article 640-*ter* Criminal Code)

## 2. Computer crimes and unlawful data processing (Art. 24-*bis*, Decree 231) [article added by Law no. 48/2008]<sup>7</sup>

- False statements in information technology documents that constitute supporting evidence (Article 491-*bis* Criminal Code)
- Illegal access to a computer or telematics system (Article 615-*ter* Criminal Code)
- Unlawful possession and dissemination of the access codes of computer or telematics systems (Article 615-*quater* Criminal Code)
- Dissemination of equipment, devices or software intended to damage or interrupt a computer or telematics system (Article 615-*quinqüies* Criminal Code)
- Illegal wire-tapping, obstruction or interruption of computer or telematics systems (Article 617-*quater* Criminal Code)
- Installation of equipment aimed at tapping, obstructing or interrupting computer or telematics communications (Article 617-*quinqüies* Criminal Code)
- Damage to information, data and software programs (Article 635-*bis* Criminal Code)
- Damage to information, data and software programs used by the State or by a Public Entity or Body of public interest /utility (Article 635-*ter* Criminal Code)
- Damage to information or telematics systems (Article 635-*quater* Criminal Code)
- Damage to information or telematics systems of public interest/utility (Article 635-*quinqüies* Criminal Code)
- Computer fraud by the body providing electronic signature certification services (Article 640-*quinqüies* Criminal Code)

## 3. Organized crime offences (Art. 24-*ter*, Decree 231) [article added by Law no. 94/2009];

- Criminal association (Article 416 Code of Criminal Procedure)<sup>8</sup>
- Mafia-type association crimes (Article 416-*bis* Criminal Code) [amended by Law no. 69/2015]
- Vote-buying involving politicians and the Mafia (Article 416-*ter* Criminal Code)<sup>9</sup>
- Abduction for the purpose of extortion (Article 630 Criminal Code)
- Criminal association for the purpose of illegal trafficking in narcotics or psychotropic substances (Article 74, Presidential Decree no. 309 of 9 October 1990)
- Any crime if committed by making use of the conditions envisaged by Article 416-*bis* of the Criminal Code to facilitate the activity of the associations envisaged in the same Article (Law no. 203/1991)

7. Leg. Decree no 7 of 15 January 2016 has introduced some amendments to the following Articles of the Criminal Code: 491 *bis*, 635 *bis*, 635 *ter*, 635 *quater*, 635 *quinqüies*).

8. Act no 236 of 11 December 2016, has amended Article 416 (6) Criminal Code ("Criminal association"), in order to include the crime "trafficking body organs of living people" (Article 601 *bis* Criminal Code).

9. Article amended by Law no. 43 (21 May 2019)

- The illegal manufacturing, introduction into the State, offering for sale, transfer, possession and carrying, in a public place or place open to the public, military weapons, or weapons of the military type or parts thereof, explosives, unauthorized weapons as well as the more common firearms (Article 407 (2), letter a), number 5) Code of Criminal Procedure)

#### **4. Extortion, unduly inducing to give or promise an advantage and corruption (Art. 25, Decree 231) [article amended by Law no. 190/2012]**

- Extortion (Article 317 Criminal Code) [amended by Law no. 69/2015]
- Corruption to induce the exercise of one's duties (Art. 318, Criminal Code) [article amended by Law no. 190/2012] [amended by Law no. 69/2015]
- Corruption for an act contrary to the duties of office (Article 319 Criminal Code) [amended by Law no. 69/2015]
- Aggravating circumstances (Article 319-bis Criminal Code)
- Bribery in judicial proceedings (Article 319-ter Criminal Code) [amended by Law no. 69/2015]
- Illicit offer to give or promise benefits (Article 319-quater) [Article introduced by Law no. 190/2012] [amended by Law no. 69/2015]
- Corruption of a person in charge of a public service (Article 320 Criminal Code)
- Sanctions for the briber (Article 321 of the Italian Criminal Code)
- Incitement to corruption (Article 322 Criminal Code)
- Embezzlement, extortion, illicit offer to give or promise benefits, corruption and incitement to corruption of the members of the bodies of the European Communities and of the officials of the European Communities and of Foreign States (Article 322 bis Criminal Code) [article amended by Law no. 190/2012]
- Drug trafficking (Art. 346 bis Criminal Code)

#### **5. Counterfeiting currency, credit cards, tax stamps and identifying instruments or signs (Art. 25-bis, Decree 231) [article added by Legislative Decree no. 350/2001, as amended and enacted in Law no. 409/2001; amended by Law no. 99/2009] <sup>10</sup>**

- Counterfeiting of money, spending and introduction into the State of counterfeit money, acting in concert (453 c.p.)
- Alteration of money (Article 454 of the Italian Criminal Code)
- Spending and introduction into the State of counterfeit money, not acting in concert (Article 455 of the Italian Criminal Code)
- Spending of counterfeit money received in good faith (Article 457 of the Italian Criminal Code)
- Forgery of stamps, introduction into the State, purchase, possession or putting into circulation forged stamps (Article 459 of the Italian Criminal Code)
- Counterfeiting of watermarked paper used for the production of legal tender or stamps (Article 460 of the Italian Criminal Code)
- Production or possession of watermarked paper or instruments for the forgery of money, stamps and watermarked paper (Article 461 of the Italian Criminal Code)
- Use of forged or altered stamps (Article 464 of the Italian Criminal Code)
- Counterfeiting, alteration or use of trademarks or distinctive signs of intellectual property or industrial patents, models and drawings (Article 473 of the Italian Criminal Code)
- Introduction into the State and marketing of products with false signs (Article 474 of the Italian Criminal Code)

#### **6. Offences against industry and commerce (Art. 25-bis.1, Decree 231) [article added by Law no. 99/2009]**

- Obstructing the freedom of industry and trade (Article 513 of the Italian Criminal Code)
- Illegal competition with threats or violence (Article 513-bis of the Italian Criminal Code)
- Fraud against national industries (Article 514 of the Italian Criminal Code)
- Fraud in trade (Article 515 of the Italian Criminal Code)

10. Leg. Decree no. 125 of 21 June 2016 has introduced some amendments to the following Articles of the Criminal Code: 453, 461).

- Sale of non-genuine foodstuffs as genuine (Article 516 of the Italian Criminal Code)
- Sale of industrial products with misleading signs (Article 517 of the Italian Criminal Code)
- Manufacture and trading in goods produced by usurping industrial property rights (Article 517-*ter* of the Italian Criminal Code)
- Counterfeiting the geographical indications or designations of origin of farm produce (Article 517-quarter of the Italian Criminal Code)

## **7. Corporate crimes (Article 25-*ter*, Decree 231) [Article added by Leg. Decree no. 61/2002, amended by Law no. 190/2012, by Law no. 69/2015 and by Leg. Decree no. 38 of 15 March 2017]**

- Fraudulent corporate disclosures (Art. 2621 of the Civil Code) [amended by Law no. 69/2015]
- Minor misleading information (Article 2621-*bis* Civil Code) [added by Law no. 69/ 2015]
- False statements by listed companies (Article 2622 Civil Code) [amended by Law no. 69/2015]
- False corporate statements, or reporting to the auditing firm (Art. 2624, paragraphs 1 and 2, of the Civil Code)<sup>11</sup>
- Hindering auditing activities (Article 2625, comma 2, Civil Code)
- Improper reimbursements of capital contributions (Article 2626 Civil Code)
- Illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code)
- Illicit transactions on the shares or quotas of the Company or of its holding company (Article 2628 Civil Code)
- Illicit transactions to the detriment of creditors (Article 2629 Civil Code)
- Failure to disclose a conflict of interest (Article 2629-*bis* Civil Code) [added by Law no. 262/2005]
- Fictitious increase of share capital (Article 2632 Civil Code)
- Improper distribution of corporate assets by the liquidators (Article 2633 Civil Code)
- Corruption amongst private individuals (Art. 2365 of the Civil Code) [added by Law no. 190/2012]
- Incitement to corruption among private individuals (Article 2635 *bis*, comma 1 Civil Code) [added by Leg. Decree no. 38 of 15 March 2017]
- Illicit influence on the general shareholders' meetings (Article 2636 Civil Code)
- Market rigging (Article 2637 Civil Code)
- Obstructing the activities of public supervisory authorities (Article 2638, paragraphs 1 and 2, Civil Code)

## **8. Crimes committed for purposes or terrorism or aimed at subverting the democratic order as laid down in the Criminal Code and by the special laws (Article 25-*quater*, Decree 231) [Article introduced by Law no. 7/2003]**

- Subversive associations (Article 270 Criminal Code)
- Associations for the purposes of national/international terrorism and subversion of the democratic order (Article 270-*bis* Criminal Code)
- Assistance to the members (Article 270-*ter* Criminal Code)
- Recruiting people for national/international terrorism (Article 270-*quater* Criminal Code)
- Training for terrorist activities, also of an international nature (Article 270-*quinqües* Criminal Code)
- Terrorist activities (Article 270-*sexies* Criminal Code)
- Terrorist or subversive attacks (Article 280 Criminal Code)
- Acts of terrorism using deadly weapons or explosives (Article 280-*bis* Criminal Code)
- Abductions for terrorist or subversive purposes (Article 289-*bis* Criminal Code)

11. Leg. Decree no. 39/2010 on the statutory auditing of accounts has repealed Article 2624 of the Civil Code, but, at the same time, it has introduced into Article 27, the crime of "False statements or false communications by the Independent Auditors", hence, at present, there being uncertainty as to the regulatory framework of reference, the crime is prudentially indicated as administrative liability of entities".

- Instigating others to commit one of the crimes provided for in Heading One and Two (Article 302 Criminal Code)
- Political conspiracy through agreement (Article 304 Criminal Code)
- Political conspiracy through association (Article 305 Criminal Code)
- Setting up and participating in armed gangs (Article 306 Criminal Code)
- Providing assistance to the members of a conspiracy or armed gang (Article 307 Criminal Code)
- Seizure, hijacking and destruction of aircraft (Article 1, Law no. 342/1976)
- Damages to ground installations (Article 2, Law no. 342/1976)
- Penalties (Article 3, Law no. 422/1989)
- Repentance (Article 5, Leg. Decree no. 625/1979)
- New York Convention of 9 December 1999 (Article 2)

*Law 153/2016 further introduced into the Criminal Code the following offences:*

- Financing terrorism-aimed activities (Art. 270 *quinquies*.1 of the Criminal Code)
- Taking of seized goods or money (Art. 270 *quinquies*.2 of the Criminal Code)
- Acts of nuclear terrorism (Art. 280-*ter* of the Criminal Code)

*Pursuant to Art. 25-*quater* of Decree 231, which makes “outright” reference to the possibility of an offence of terrorism and subversion, the above offences are prudentially considered to be potentially relevant cases thereof, even if the aforesaid Law did not expressly modify Decree 231*

## **9. Female genital mutilation practices (Article 583-*bis* of the Criminal Code) (Article 25-*quater*.1, Decree 231) [Article introduced by Law no. 7/2006]**

- Female genital mutilation practices (Article 583-*bis*)

## **10. Crimes against the individual (Article 25-*quinquies*, Decree 231) [Article introduced by Law no. 228/2003, as amended by Law no. 199/2016]**

- Reducing or maintaining individuals in slavery or bondage (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*)
- Virtual pornography (Article 600-*quater*.1 of the Criminal Code) [added by Art. 10, Law no. 38 of 6 February 2006]
- Tourist initiatives aimed at exploiting child prostitution (Article 600-*quinquies* Criminal Code)
- Trafficking in persons (Article 601 Criminal Code)
- Buying and selling slaves (Article 602 Criminal Code)
- Solicitation of children (Article 609-*undecies* Criminal Code)
- Illegal intermediation and exploitation of labour (Article 603 *bis* Criminal Code)

## **11. Market abuse crimes (Article 25-*sexies*, Decree 231) [Article introduced by Law no. 62/2005]**

- Misuse of privileged information Article 184, Leg. Decree no. 58/1998) <sup>12</sup>
- Market manipulation (Article 185, Leg. Decree no. 58/1998) <sup>13</sup>
- Lesioni personali colpose (art. 590 c.p.)

12. Article amended by Law no. 107/2018.

13. Article amended by Law no. 107/2018.

## **12. Crimes of manslaughter and serious or very serious culpable injuries committed in breach of the regulations on health and safety in the workplace (Article 25-septies, Decree 231) [Article introduced by Law no. 123/2007]**

- Manslaughter (Article 589 Criminal Code)
- Negligent personal injuries (Article 590 Criminal Code)

## **13. Crimes of receiving stolen goods, money-laundering and utilisation of money, goods or benefits of unlawful origin and self-laundering (Article 25-octies, Decree 231) [Article added by Leg. Decree no. 231/2007; amended by Law no. 186/2014]**

- Stolen goods (Article 648 Criminal Code)
- Money-laundering (Article 648-bis Criminal Code)
- Utilisation of money, goods or benefits of unlawful origin (Article 648-ter Criminal Code)
- Self-laundering (Article 648-ter.1 Criminal Code)

## **14. Crimes regarding breach of copyright (Article 25-novies, Decree 231) [Article introduced by Law no. 99/2009]**

- Making available intellectual property, or part thereof, protected by copyright to the public on a telematics network (Article 171, (1) lett. A-bis), Law no 633/1941).
- Offences as per the previous point committed on other people's work not intended for publication if disclosure offends the author's dignity or reputation (Article 171, (3), Law no. 633/1941)
- Unauthorized duplication for profit of computer programs; import, distribution, sale or possession for commercial or business purposes, and leasing of programs contained in media not bearing the SIAE mark (Italian Society of Authors and Publishers); holding means for removing or avoiding the protection devices of computer programs (Article 171-bis, (1), Law no. 633/1941)
- Reproduction, transfer onto another medium, distribution, communication, presentation or demonstration in public of the contents of a data base; retrieval or reuse of a data base; distribution, sale or leasing of data bases (Article 171-bis, (2), Law no. 633/1941)
- Unauthorized duplication, reproduction, transmission or public dissemination by any means of all or part of intellectual properties developed for television or movie theatre use; sale or rental of records, tapes or analogue or other media containing sounds or images from musical works, films or similar audio-visual works or sequences of moving images; literary, dramatic, scientific or teaching, musical or musical drama, multimedia works, even if they are part of collective or composite works or databases; unauthorized reproduction, duplication, transmission or dissemination, sale or marketing, transfer in any way or unauthorized import of more than fifty copies of works protected by copyright and other related rights; introduces into a system of telematics network, through connections of any type, any intellectual property protected by copyright, or parts thereof (Article 171-ter, Law no. 633/1941)
- Failure to notify to the Italian Society of Authors and Publishers (ISAP) identification data of the supports to the mark or false declaration (art 171- septies law no. 633/1941)
- Failure to notify the SIAE of the data for identifying media nor subject to marking or misrepresentation (Article 171-sep illegal production, sale, import, promotion, installation, alteration, public/private use of equipment, or parts thereof, capable of decoding audio-visual broadcasts subject to conditional access over the air or via satellite or cable, in either analogue or digital format (Article 171-octies, Law no. 633/1941).

## **15. Incitement to not testify or to bear false testimony to the judicial authorities (Article 25-decies, Decree 231) [Article introduced by Law no. 116/2009]**

- Incitement to not testify or to bear false testimony to the judicial authorities (Article 377-bis Criminal Code)

## **16. Environmental crimes (Article 25-undecies, Decree 231) [Article added by Leg. Decree no. 121/2011] [amended by Law no. 68/2015 with the addition of paragraph 1-bis]**

- Environmental pollution (Article 452-*bis* Criminal Code) [added by Law no. 68/2015]
- Environmental catastrophe (Article 452-*quater* Criminal Code) [added by Law no. 68/2015]
- Negligent crimes against the environment (Article 452-*quinquies* Criminal Code) [added by Law no. 68/2015]
- Trafficking and dumping of highly radioactive waste (Article 452-*sexies* Criminal Code [introduced by Law no. 68/2015])
- Aggravating circumstances (Article 452-*octies* Criminal Code) [added by Law no. 68/2015]
- Killing, destroying, capturing, and possession of protected wild animals or plant species (Article 727-*bis* Criminal Code)
- Destruction or deterioration of the habitat within a protected site (Article 733-*bis* Criminal Code)
- Import, export, possession, use for making profits, purchase, sale, display or possession for sale or for commercial purposes of protected species (Articles 1 and 2, Law no 150/1992).
- Discharging industrial waste waters containing dangerous substances; discharging onto the soil, into the subsoil and into underground waters; discharging into sea waters by sea vessels or aircraft (Article 137, Leg. Decree no. 152/2006)
- Unauthorized waste management activities (Article 256, Leg. Decree n. 152/2006)
- Illicit waste trafficking (Article 259, Leg. Decree no. 152/2006)
- Activities organized for the purpose of illicit waste trafficking (Article 452-*quaterdecies* of the Criminal Code)
- Pollution of the soil, subsoil, surface waters or underground waters (Article 257, Leg. Decree no. 152/2006)
- Violation of reporting requirements, record keeping and required forms (Article 258, Leg. Decree no. 152/2006)
- Provisions regarding waste management and tracking (Legislative Decree no. 152/2006)
- Fraudulent pollution caused by ships (Article 8, Leg. Decree no. 202/2007)
- Pollution caused by the negligence of ship (Article 9, Leg. Decree no. 202/2007)

## **17. Employing citizens from third Countries residing without authorisation (Article 25-duodecies, Decree 231) [Article added by Leg. Decree no. 109/2012, as last amended by Law no. 161/2017]**

- Employing citizens from third countries residing without authorisation (Article 22, comma 12-*bis*, Leg. Decree no. 286/1998)
- Provisions against illegal immigration (Article 12 of Leg. Decree no. 286/1998)

## **18. Crimes of racism and xenophobia Article 25-terdecies, Decree 231) [Article added by Law no. 167/2017]**

- Propaganda or incitement to commit a crime of discrimination or violence for reasons of race, ethnicity or religion (Article 604-*bis* of the Criminal Code)

## **19. Fraud in sports competition, unlawful gaming or betting or gambling exercised through any prohibited equipment (Art. 25-quaterdecies, Decree 231) [article added by Law no. 39/2019]**

- Law no. 401, Art. 1 (13 December 1989) (Fraud in sports competition)
- Law no. 401, Art. 4 (13 December 1989), (Unlawful gaming or betting)

## **20. Transnational crimes (Law no. 146/2006) [The crimes listed below entail administrative responsibility if carried out in transnational conditions]**

- Provisions against illegal immigration (Article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5, of the Consolidated Law as per Leg. Decree no 286 of 25 July 1998]
- Association for the purpose of illegal trafficking of narcotic or psychotropic drugs (Article 74 of the Consolidated Law as per D.P.R. no 309 of 09 October 1990]
- Criminal association for the purpose of smuggling tobaccos processed abroad (Article 291-*quater* of the Consolidated Law as per D.P.R. no 43 of 23 January 1973]
- Incitement to not testify or to bear false testimony to the judicial authorities (Article 377-*bis* Criminal Code)
- Aiding and abetting (Article 378 Criminal Code)
- Association crimes (Article 416 Criminal Code)
- Mafia-type association crimes (Article 416-*bis* Criminal Code) [amended by Law no. 69/2015]

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