

**Legislative Decree 231/2001**

**GROUP GUIDELINES FOR THE  
IMPLEMENTATION OF THE  
MANAGEMENT, ORGANISATION AND  
CONTROL MODEL**

**TABLE OF CONTENTS**

|   |       |
|---|-------|
| <b>1. REFERENCES</b>  | p.4   |
| <b>2. TERMS AND DEFINITIONS</b>   | p. 4  |
| <b>3. ITALIAONLINE</b>  | p. 5  |
| <b>4. PURPOSES AND CONTENTS OF THE DOCUMENT</b>   | p. 6  |
| <b>5. ROLES AND RESPONSIBILITIES – CORPORATE GOVERNANCE AND INTERNAL CONTROL SYSTEM</b>   |       |
| 5.1. Corporate governance, roles and responsibilities   | p. 7  |
| 5.2. Internal control integrated system   | p. 10 |
| <b>6. LEGISLATIVE DECREE 231/2001</b>   |       |
| 6.1. Reference legislation  | p 11  |
| 6.2. Pre-requirements for the exemption from entity liability   | p 13  |
| <b>7. STRUCTURING OF THE ORGANISATIONAL MODEL FOR THE PREVENTION OF CRIMES</b>  |       |
| 7.1. Introduction   | p. 14 |
| 7.2. Identification of sensitive activities (“as-is analysis”)  | p. 15 |
| 7.3. Decision-making protocols  | p. 15 |
| 7.4. Training and disclosure  | p. 16 |
| 7.5. Amendments to the Model  | p. 16 |
| 7.6. Addresses of the Model   | p. 17 |
| 7.7. Extension and application of the Model to ITALIAONLINE S.p.A.’s subsidiaries   | p. 17 |
| <b>8. THE SUPERVISORY BODY</b>  |       |
| 8.1. Identification and functioning   | p. 18 |
| 8.2. Appointment  | p. 19 |
| 8.3. Functions and powers of the Supervisory Body   | p. 19 |
| <b>9. INFORMATION FLOWS: GOVERNING PRINCIPLES</b>   |       |
| 9.1. Supervisory Body’s reporting to the company top management   | p. 20 |
| 9.2. Reporting to the Supervisory Body: general information, non-structured information and structured information by event or periodic | p. 21 |
| 9.3. Transactions in derogation or outside of the procedure   | p. 23 |
| 9.4. Relations between Italiaonline S.p.A.’s Supervisory Body and that of subsidiaries  | p. 23 |
| 9.5. Collection and storage of information  | p. 24 |

**10. THE WHISTLEBLOWING SYSTEM**

|   |       |
|---|-------|
| 10.1. Introduction.....                         | p. 24 |
| 10.2. Banned reporting .....                    | p. 26 |
| 10.3. Content of reporting.....                 | p. 26 |
| 10.4. Person responsible for the reporting..... | p. 26 |
| 10.5. Ethical Committee.....                    | p. 27 |

**11. MAIN INHERENT RISKS AND RELATING PROCESSES**

|  |       |
|--|-------|
| 11.1. Corruption risk.....   | p. 28 |
| 11.2. Corporate, anti-money laundering and self-laundering crimes risk.....    | p. 28 |
| 11.3. Market Abuse.....  | p. 29 |
| 11.4. Computer crimes.....   | p. 29 |
| 11.5. Crimes in the matter of copyright, trademarks and distinctive signs..... | p. 29 |

**12. METHODOLOGY FOR THE IMPLEMENTATION OF THE MODEL AND THE ASSESSMENT OF RISK.....** p. 30**13. PRINCIPLES OF CONDUCT IN THE MAIN AREAS OF RISK**

|  |       |
|--|-------|
| 13.1. Introduction.....  | p. 31 |
| 13.2. Principles of conduct in the main operational processes .....        | p. 31 |
| 13.3. Principles of conduct in instrumental activities and processes ..... | p. 34 |

**14. TRAINING AND AWARENESS RAISING PLAN**

|   |       |
|---|-------|
| 14.1. Introduction.....                               | p. 37 |
| 14.2. Disclosure to members of corporate bodies.....  | p. 37 |
| 14.3. Training and disclosure to employees.....       | p. 38 |
| 14.4. Training programmes within Group companies..... | p. 38 |
| 14.5. Disclosure to third parties and the market..... | p. 38 |

**15. THE DISCIPLINARY SYSTEM**

|  |       |
|--|-------|
| 15.1. Function of the disciplinary system.....                                   | p. 38 |
| 15.2. Infringement of the Model.....   | p. 39 |
| 15.3. Measures against Directors.....  | p. 39 |
| 15.4. Measures against Statutory Auditors.....                                   | p. 39 |
| 15.5. Measures against executives.....   | p. 40 |
| 15.6. Measures against employees not holding executive offices.....              | p. 40 |
| 15.7. Measures against Agents.....   | p. 40 |
| 15.8. Measures against Consultants and commercial and/or financial Partners..... | p. 40 |

## 1. REFERENCES

### Legislative references:

- Legislative Decree 8 June 2001, no. 231 – “Administrative liability of Entities” and subsequent amendments and/or supplements;
- “Guidelines for the establishment of organisation, management and control models pursuant to Legislative Decree 231/01” as approved by Confindustria on 7 March 2002 and subsequently updated to 21 July 2014;
- Legislative Decree no. 81/2008 – “Consolidated act in the matter of safeguard of health and safety in the workplace” and subsequent amendments and/or supplements.
- Legislative Decree 196/03 – Privacy Code
- Corporate Governance Code for listed companies July 2015.

### Internal sources:

- Group Code of Ethics.

## 2. TERMS AND DEFINITIONS

- **IOL/Italiaonline:** Italiaonline S.p.A.
- **Code/Corporate Governance Code:** the Corporate Governance Code of listed companies approved most recently in July 2015 by the Corporate Governance Committee and endorsed by Borsa Italiana S.p.A.
- **Italian Civil Code:** the Italian civil code.
- **Italian Criminal Code:** the Italian criminal code.
- **Italian Criminal Procedure Code:** the Italian criminal procedure code.
- **Board:** the Board of Directors.
- **P.A.:** acronym for Public Administration
- **Merger Seat IOL or Merger:** the inverse merger by incorporation of Italiaonline into Seat, based on the merger plan approved by the Boards of Directors of Seat and Italiaonline on 20 January 2016.
- **Consob Issuers Regulation:** the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) in the matter of issuers.
- **TUF:** Legislative Decree 24 February 1998, no. 58 (Consolidated Law on Finance).

- **Co.SO – ERM:** acronym for Commission of Sponsoring Organization-Enterprise Risk Management, international standard for the internal control system.

### **3. ITALIAONLINE**

The new Italiaonline (hereafter also “IOL” or “Company” or “Group”) was created from the merger by incorporation of Italiaonline S.p.A. into the former subsidiary SEAT Pagine Gialle S.p.A., effective as of 20 June 2016.

The Italiaonline Group operates on the web marketing and digital advertising market, including the management of advertising campaigns and the generation of leads through social networks and search engines and is the leading operator in the Italian market of paper, online and telephone directories, area in which it operates under the regime of Legislative Decree 461/81, and to date represents the first national web company and the third player of the Italian web market.

With its widespread sales network and the ability to realise customised projects for the online visibility of large accounts, the company serves approximately 300,000 customers among big, small and medium enterprises. Its strategic objective is the consolidation of the leadership in the digital advertising market for big accounts and in local marketing services, with the mission to digitalize SMEs, true economic backbone of the Country.

Italiaonline S.p.A., parent company, whose shares are listed on the Italian regulated market, adopts a corporate governance system consistent with the provisions of law and CONSOB regulatory provisions in force, in accordance with the contents of Borsa Italiana S.p.A.'s Corporate Governance Code of Listed Companies and national and international best practices.

In the context of its activities, the Group recognises the importance of ethical-social responsibility and environmental protection in the conduction of its business and activities and commits to a management oriented to the balance of legitimate interests of its counterparties and the community in which it operates.

## 4. PURPOSES AND CONTENTS OF THE DOCUMENT

According to Legislative Decree no. 231 of 2001 (hereafter also “Legislative Decree 231/01” or “Decree”), which introduced in the Italian jurisdiction the *administrative liability of Entities from offence*, the Board of Directors of Italiaonline, hereby lays down the guidelines for management and employees aimed at the update of the Organisation, Management and Control Model (hereafter also the “Model”), to prevent the risk that the crimes listed in the aforementioned Decree are committed and the identification and appointment criteria of a Supervisory Body (hereafter also “SB”) to be entrusted with the duty to supervise over:

- a. the widespread and effective implementation of the Model;
- b. compliance with its rules by addressees, including disclosure obligations to the same SB;
- c. the meeting over time of its suitability requirements in respect of crimes prevention and proposing the update thereof for the purpose of improving its efficiency and effectiveness.

The following Guidelines to implement the Model (hereafter, “Guidelines”), accordingly, aim at facilitating the development, maintenance and updating process of compliance tools with the regime of Legislative Decree 231/01 (hereafter also the “Decree”) within the Group and ensuring greater effectiveness of the offences prevention activity both of disciplinary nature and criminal nature which may have an impact on the risk that crimes included in the Decree are committed.

For the above-mentioned purposes, the Guidelines (i) provide key indications as regards:

- a. the proper running of the main company processes, with specific respect to the prevention of corruption in all its forms and to compliance with the corporate disclosure and administrative-accounting processes, for the purpose of preventing market abuse and corporate crimes;
- b. the contents of the special parts of the Model;
- c. the criteria to direct the choices of administrative bodies of Group companies in the matter of identification, appointment, functioning and powers of the Supervisory Bodies, also as regards information flows among the various bodies and corporate functions;
- d. the coordination modalities among Supervisory Bodies of Group companies;
- e. the infringements of the model and the specific disciplinary system;
- f. the implementation modalities of training and information and the coordination of training programmes at Group level.

At the time of the approval of this document, the Group has in place Organisation, Management and Control Models that require harmonisation and review subsequent to the merger between Italiaonline and the former subsidiary Seat PG and the organisational changes intervened.

To this aim, 30 June 2017 is set as target date to complete the activities in accordance with the criteria of these Guidelines.

This document (as well as any amendments or supplements thereto) is adopted by the Board of Directors of Italiaonline and subsequently forwarded to the administrative bodies of the single companies comprising the Group subject to the provisions of Legislative Decree 231/01.

As regards the Group's foreign subsidiaries, which are not subject to the provisions of Legislative Decree 231/2001, the relating administrative bodies are required to define and adopt own compliance programs suitable to ensure compliance with the anti-corruption framework of the respective Countries and the prevention of crimes through suitable internal organisation and control measures, consistent with the principles and rules recommended by the Code of Ethics of the Italiaonline Group and these Guidelines.

## **5. ROLES AND RESPONSIBILITIES; CORPORATE GOVERNANCE AND INTERNAL CONTROL SYSTEM**

### **5.1. Corporate governance, roles and responsibilities**

The Parent Company adopts a traditional administration and control model where governance is characterised by the presence of:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors.

The legal audit of accounts is entrusted to the external Audit Firm.

#### Board of Directors

The Board of Directors is entrusted with the broadest powers for the ordinary and extraordinary management of the Company and accordingly has the authority to carry out all acts deemed appropriate for the execution and achievement of corporate purposes, in Italy and abroad, excluding solely those reserved by law to the Shareholders Meeting.

Pursuant to the By-Laws, the legal representation of the Company, in front of third parties and in court is granted to the Chairman as well as, where appointed, to the Vice Chairman and the Chief Executive Officer on a several basis among them within the respective delegations.

#### Board of Statutory Auditors

The Board of Statutory Auditors is comprised of three statutory auditors and two deputy auditors, appointed by the Shareholders' Meeting, which also determines their remuneration. The requirements, the appointment and dismissal from office, the functions and duties of the Board of Statutory Auditors and/or of each Auditor, are determined by the legislation in force and/or by the Company By-Laws.

The Board of Statutory Auditors assures supervision over compliance with laws and the articles of incorporation. In order to allow a greater coordination with the SB, one member of the Board of Statutory Auditors may also be appointed as external member of the SB.

The Board of Statutory Auditors further assures, in agreement with the Risk and Control Committee, the adequacy of the internal control structure and of the Internal Audit Department.

#### Control and Risk Committee

The Committee is made up of independent Board Members with adequate experience in the area of accounting and finance or risk management (in accordance with art. 7.P.4 of the Corporate Governance Code of Listed Companies).

The Board of Directors resolved to entrust to the Committee the duties under art. 7.C.2 of the Code.

#### Director in charge of the internal control and risk management system

In accordance with art. 7.C.4. of the Corporate Governance Code, the Chief Executive Officer has been identified by the Board of Directors as Director in charge of the internal control and risk management system.

The possible identification of another Director in charge of the internal control and risk management system other than the Chief Executive Officer, may take place by appointment and/or revocation by the Board of Directors with no need to amend this document.

#### Head of the Internal Audit Department

The Group avails itself of the support of the Internal Audit Function, structured to (i) verify and ensure the adequacy, the effectiveness and efficiency of the Internal Control System (ICS) and



(ii) ascertain that ISC provides reasonable warranties that the organisation can achieve its objectives in an effective and efficient manner.

In order to ensure his utmost independence, the head of the Internal Audit Department:

- a. is not responsible for any operational area;
- b. reports to the Board of Directors;
- c. may be appointed and revoked only subject to the prior opinion of the Control and Risk Committee and Board of Statutory Auditors;
- d. has access to all company's and subsidiaries' information.
- e. may request the cooperation of any corporate function, including those of subsidiaries.

The head of the Internal Audit Department can be an internal member of the Italiaonline's SB so to ensure the necessary action continuity in the supervision activity over compliance with the Model and consistency with the whole control structure. To this aim it is his duty to align the other external members of the SB as regards on-going actions and events that may be of relevance for the purpose of the suitability and effective implementation of the organisational model.

He assures a continuous and prompt disclosure on the most relevant events, to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee, the Chairman of the Board of Statutory Auditors and the Director in charge of the internal control system.

#### Supervisory Body

Reference is made to paragraph 8 below.

#### Legal Audit Firm

The legal audit of accounts is entrusted, pursuant to the law, to a legal Audit Firm, the appointment of which pertains to the Shareholders' Meeting, upon reasoned proposal of the Board of Statutory Auditors. While carrying out its activity, the mandated legal Audit Firm has access to information, data, both documental and digital, archives and assets of the Company and its subsidiary.

The legal Audit Firm expresses in specific report an opinion on the financial statement and verifies throughout the year the proper keeping of the company's accounts and the proper recognition of management actions in the accounts.

## 5.2. Internal control integrated system

The Company adopted an ICS that includes the set of rules, procedures, applications and organisational structures, aimed at allowing, through an adequate identification, measurement, management and monitoring process of the main risks, a sound and proper conduction of the business consistent with the goals set.

The ICS is based on 3 control levels:

- a. the first level (*line controls*) assured by all heads of operational departments and functions;
- b. the second level by heads of support departments or functions or services, in charge of managing single homogeneous risk areas (e.g. planning and control or privacy system)
- c. the third control level entrusted to the Internal Audit Department.

The responsibility of the ISC is entrusted to the Board of Directors which sets the guidelines thereof and periodically verifies its adequacy and effective functioning, making sure that the main company risks are properly identified and management.

The aforementioned internal control and risk management system is integrated in the more general organisational and corporate governance structures and takes into due consideration the reference models and best practices existing at national and international level.

The internal control and risk management system, in accordance with the recommendations of Borsa Italiana S.p.A.'s Corporate Governance Code of Listed Companies, involves the Board of Directors, the Control and Risk Committee, the Director in charge of the internal control and risk management system, the Head of the Internal Audit Department, the Board of Statutory Auditors as well as other specific company roles and functions. The Company determines coordination modalities among said persons by holding specific collegial meetings providing for the attendance of the various control bodies (Control and Risk Committee, Board of Statutory Auditors, Supervisory Body, External Auditor, Financial Reporting Officer and Internal Audit Department).

The Company, for the purpose of disseminating in all levels an aware culture of the existence and usefulness of controls, entrusted, as set out in the Code of Ethics, the responsibility to realise and ensure an internal control system effective at all levels of the organisational structure. Accordingly, all employees, as part of the functions carried out, are responsible for the definition and proper functioning of the control system.

In analysing risks both in the phase of mapping sensitive areas and processes, and on an on-going basis aimed at verifying the meeting over time of the suitability requirements of the organisational model, the functions in charge and the management with a view of optimisation and effectiveness of the control system in its entirety, will take into account the controls existing in the single management systems (second level controls) as well as their suitability to reduce risk and prevent the commission of the crimes envisaged in the Decree.

Any further implementation that may prove necessary to achieve an acceptable residual risk shall strictly avoid redundancies compared to a pre-existing control.

#### Organisational structure

The organisational structure is formalised through specific organisational notices, approved by the competent bodies and functions, and available through the company intranet website and takes into account the compliance with the internal control standards, i.e. formalisation, traceability, segregation of roles and consistency between responsibilities and powers.

The company management is published on the institutional website.

## **6. LEGISLATIVE DECREE NO.231/2001**

### **6.1. Reference legislation**

Legislative Decree 8 June 2001 no. 231 introduced the regime of “*administrative liability of corporate bodies, companies and associations with or without legal personality*”. Based on the provisions of the Decree at hand, companies may be held liable in respect of certain crimes, specifically identified, committed or attempted in the interest and/or to the advantage of the same company by:

- any person which represents, administers or manages the company or some its business unit, as well as any person that officially or unofficially manages and/or controls it;
- any natural person under the direction or under the supervision of one of the aforesaid persons.

Based on the provisions of Legislative Decree 231/2001 and subsequent supplements – the administrative liability of the Legal Entity may arise with reference to the following macro group of crimes:

- crimes against the Public Administration (among which corruption and misappropriation in detriment of the State, fraud in detriment of the State and computer crime in detriment of the State), as set forth in artt. 24 and 25 of Legislative Decree 231/2001;

- computer crimes and unauthorised processing of information as per art. 24 bis of Legislative Decree 231/2001;
- organised crime offences as set forth in art. 24 ter of Legislative Decree 231/2001;
- counterfeiting of money, public credit cards and tax stamps as well as recognition instruments and signs as well as offences against industry and trade as set forth in artt. 25-bis and 25 bis 1 of Legislative Decree 231/2001;
- some types of corporate offences (among which fraud in financial statement, impeded control, transactions in detriment of creditors, omitted disclosure of conflicts of interest, corruption among private parties, unlawful influence on the shareholders' meeting, stock manipulation) as set forth in art. 25-ter of Legislative Decree 231/2001;
- crimes with terrorism purpose and of subversion of the democratic order (including the financing for said purposes), as set forth in art. 25 quater of Legislative Decree 231/2001;
- practices of female genital mutilation as set forth in art. 25 quater 1 of Legislative Decree 231/2001;
- offences against individuals (among which the exploitation of child prostitution, child pornography, trafficking in human beings, and placing or keeping persons in slavery or servitude, solicitation of children), as set forth in art. 25 quinquies of Legislative Decree 231/2001;
- insider trading and market manipulation crimes as set forth in art. 25 sexies of Legislative Decree 231/2001;
- crimes of negligent manslaughter and serious or very serious personal injuries, committed in breach of safety provisions and of measures in the workplace as set forth in art. 25 septies of Legislative Decree 231/2001;
- offences of receiving of stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering, as set forth in art. 25 octies of Legislative Decree 231/2001;
- transnational crimes set forth in art. 10 L.16/3/2006 no. 146;
- crimes in the matter of infringement of copyright as set forth in art. 25 nonies of Legislative Decree 231/2001;
- inducement to refrain from making declarations or to make false declarations to the judicial authorities as set forth in art 25 decies of Legislative Decree 231/2001;
- environmental crimes set forth in art 25 undecies of Legislative Decree 231/2001;
- employ of irregular immigrants as set forth in art. 25 duodecies of Legislative Decree 231/2001.

Should any of the crimes specifically listed in the reference legislation be committed, the “administrative” liability (*in fact criminal*) of the company adds on to the individual criminal liability of the individual allegedly author of the crime, unless (art. 5, subsection 2, Legislative Decree 231/2001) the author of the crime has acted in his exclusive interest or in that of third parties.

For all administrative offences depending on crime the following sanctions are provided for on the side of the company:

- pecuniary sanction;
- interdictory sanction;
- confiscation;
- publication of the judgement.

In particular, in the most serious cases, the application of interdictory sanctions may entail the suspension or withdrawal of licenses, concessions, authorisations, the prohibition to exercise activities, to contract with the P.A. and to advertise goods or services as well as the exclusion from loans, contributions and subsidies.

Some of those sanctions may be applied also as precautionary measures during the criminal inquisition. Special relevance may assume the precautionary seizure *for equivalent* aimed at the confiscation in case of ascertained or recognised existence of the interest or advantage for the company.

## **6.2. Pre-requirements for the exemption from entity liability**

Legislative Decree 231/2001 provides for the exemption from liability in case the company proves that:

- the management body adopted and effectively implemented, prior to the commission of the unlawful act, organisation, management and control models suitable to prevent the commission of the crime;
- entrusted to an internal body empowered with initiative and control powers, the duty to supervise over the functioning and effective compliance with the Model at hand, as well as to take care if its update;
- the persons who committed the crime acted fraudulently circumventing the controls provided for by the models;
- there has been no omitted or insufficient supervision.

For the purpose of exempting the Entity from liability, the aforementioned Models shall fulfil the following needs:

- identify the activities in the context of which the possibility exist for crimes to be committed (sensitive activities);
- provide for specific controls (i.e. procedures) aimed at planning the formation and implementation of the Entity's resolutions in respect of the crimes to be prevented;
- identify management modalities of financial resources suitable to prevent the commission of crimes;
- provide for disclosure duties to the Body in charge of supervising over the functioning of and compliance with the Model;
- introduce a disciplinary system suitable to sanction failed compliance with the measures specified in the Model.

A further element, not specifically provided for by the reference legislation, but essential to have a concrete impact on the control culture and prevent also unaware conducts that may increase the risk that crimes are committed, is training.

Confindustria's Guidelines, national and international best practices and case law, allow to set out in the following paragraphs the criteria aimed at transposing the above elements in the Group's Organisation.

## **7. STRUCTURING OF THE ORGANISATIONAL MODEL FOR THE PREVENTION OF CRIMES**

### **7.1. Introduction**

The organisational Model is comprised of the operational and behavioural rules system, the IT systems and organisational safeguards, the roles and responsibilities, through which the activities of the Company or the Group companies are structured, linked to specific control elements capable, in aggregate, of preventing the commission of the crime types envisaged in the Decree.

These Guidelines:

- reaffirm that all those who operate in the name and on behalf of the Company in "crime risk areas" and in "crime commission instrumental areas", may commit offences of disciplinary or criminal nature, in case of infringement of company provisions, specifically when they involve a liability risk that an administrative sanction is applied against the Company, as provided for by Legislative Decree 231/01;
- reaffirm that said forms of unlawful behaviour are strongly condemned by the Company, since (also where the Company may apparently be in a position to take

advantage therefrom) are in any case contrary, besides to the provisions of law, also to the ethical principles to which the Company intends to adhere in carrying out its corporate mission;

- allows the Company, thanks to an on-going monitoring action over “crime risk areas” and in “crime commission instrumental areas”, to promptly intervene to prevent and fight against the commission of the same crimes.

## **7.2. Identification of sensitive activities (“as-is analysis”).**

Said activity, to be carried out again further to the merger between Italiaonline S.p.a. and the former subsidiary Seat PG S.p.A. and the organisational changes intervened, is constantly updated thanks to the ERM process (*Enterprise Risk Management*) with the support of all corporate structures for the purpose of identifying operational and support processes and activities, in the context of which unlawful conducts of final and instrumental nature in respect of the crimes listed under Legislative Decree 231/01 may take place. Instrumental activities shall mean those in the context of which, in principle, the conditions may arise for the commission of crimes.

Preliminary to this phase is the analysis of the corporate and organisational structure of the Company, *as-is*, and of its subsequent evolutions, for the purpose of better understanding the activities carried out and identifying the corporate areas subject to possible implementation of procedural or systemic controls.

For each risk area, the key/reference person “231” are identified who have a deep knowledge of sensitive processes /activities and control mechanisms.

Each initial analysis and subsequent update activity is traced by the Internal Audit Department which takes care of storing the documents, including the interviews carried out, aimed at assessing the risk level. The subsequent identification of pre-existing rules and of control measures, although coming from management systems, allows the assessment of residual risk and the identification of the optimal measures (so called Gap Analysis) that shall be implemented, both through protocols (procedures) “231”, both through other safeguards, according content of the Decree and the best practices and previous pronouncements of the courts

## **7.3. “Decision-making” protocols**

Protocols provided for by the Decree (art.6 sub.2 lett.b) govern the risk areas identified in the stage of risk analysis, providing for roles and responsibilities in the different stages of the process, the proper exercise modalities of sensitive activities and the consequent documental tracing. Information flows to the SB, to be determined by the SB or amended

depending on the knowledge and information needs of essence to fulfil the supervision duty over the model, are associated to each decision-making protocol.

Protocols represent – under the form of procedures – the link among management systems, these Guidelines and the special parts of the Model.

#### **7.4. Training and disclosure**

The training plan is aimed at transferring to the addresses of the Model:

- a. the knowledge of the main principles of the legislation “231” and the Code of Ethics and the golden rules of organisational nature provided for by these Guidelines;
- b. internal detail rules provided for by the single procedures. Those latter shall be known especially by those who operate in the respective risk areas.

For top executives and directors, a frontal training/informative meeting on the Organisational Model shall be periodically scheduled by the Head of Internal Audit and compliance in cooperation with the Human Resources Department.

For other employees, training may be provided with e-learning modality, with systems ensuring the traceability of the delivery.

Informative contents are defined by the Internal Audit Department and shared with the Supervisory Body.

Training obligations provided for by specific regulations (*health and safety on the workplace, privacy etc...*), the contents of which, as defined by the Head of the Protection and Prevention Service (RSPP), shall always make reference to the connections with the risks “231” associated with the compliance controls prescribed by special provisions on the matter, remain unprejudiced.

The disclosure relating to the model is guaranteed through:

- for external vendors, shareholders and other stakeholders through the publication of these Guidelines and the Code of Ethics on the institutional website;
- for employees, through the publication of the special parts of the model, the protocols/procedures and any other useful document on the corporate intranet.

Vendors requesting it, may view the special parts of the Model and the protocols/procedures of their interest.

#### **7.5. Amendments to the Model.**

The adoption, amendments and supplements to the Guidelines and the special parts of the Organisational Model, fall under the exclusive competence of the Board of Directors of the



Company or the Management Bodies of subsidiaries that under no circumstances may derogate from the contents of the Code of Ethics.

Corporate provisions instrumental to the implementation, update and adaptation of the Model are issued by the competent corporate functions.

The Model is adapted in respect of further legislative provisions issued from time to time within the scope of application of Legislative Decree 231/2001 or to the Company's organisational changes.

#### **7.6. Addresses of the Model**

Are addresses of the Models (hereafter the "Addresses") of the single Group companies all those operating for the achievement of the purpose or objectives of the same companies. Among the addresses of the Models are the members of the corporate bodies, the persons involved in the functions of the Supervisory Body, employees, agents, external consultants and commercial and/or financial partners.

In case commercial and/or financial partners have their own organisational model pursuant to Legislative Decree 231/01, they are the addresses of the rules issued by the Company in the context of these Guidelines, with limitation to the relations with the Company, which may, in any case, reserve the right to, or not to, continue those relations, in case of involvements thereof in the crimes provided for by the Decree, it has anyhow become aware of.

In the context of contacts with counterparties, specific disclosure clauses shall be provided for concerning the initiation of criminal proceedings for crimes envisaged under the decree and possible consequent contractual termination reasons.

#### **7.7. Extension and application of the Model to ITALIAONLINE S.p.A.'s subsidiaries**

These Guidelines further constitute reference organisational and management principles for the definition of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 of each subsidiary with offices in the national territory. In the adoption of their own organisational models, Group companies shall accordingly conform thereto, except for what provided for in the matter of composition of the Supervisory Body which may be adapted according with proportionality criteria. The parent company notifies, with modalities deemed the most appropriate, to the administrative bodies of subsidiaries the Guidelines and any subsequent update.

Each subsidiary shall adopt an organisational model commensurate to sizes and organisational complexity. Until the adoption of their own Model, where not present, Group

companies ensure the prevention of criminal events through suitable internal organisation and control measures.

Foreign subsidiaries shall adopt adequate measures to reduce crimes commission risks by their employees in accordance with the principles of the Code of Ethics and the main safeguards set forth in the following paragraphs.

## **8. THE SUPERVISORY BODY**

### **8.1. Identification and functioning**

The entrusting of the duty to supervise over the functioning of and compliance with the Model and to take care of its update to a Body of the entity having autonomous initiative and control powers, represents an essential pre-requisite for the entity's exemption from liability.

Body members are selected from amongst external and/or internal persons of the Companies, having adequate professional skills and are not subordinated, in said role and while carrying out their function within the Body, to the hierarchical and disciplinary power of any corporate body or function, except for the dependence on the Board of Directors.

In case of disciplinary infringement by an internal member of the SB, the charging and imposing of the sanction are defined by the Board of Directors upon proposal of the Chairman, having heard the Control and Risk Committee and the Board of Statutory Auditors.

The Supervisory Body defines and carries out the activities of competence according to the collegiality rule and has, pursuant to art. 6, subsection I, lett.b), of Legislative Decree 231/2001 "*autonomous initiative and control powers*".

The Supervisory Body is awarded with:

- the necessary resources to carry out the activities under its competence;
- the authority to ask of and/or assign to third parties, possessing the necessary specific skills, duties of mere technical nature;

For the purpose of the correct and effective performance of its duties, the Supervisory Body:

- adopts its own autonomous regulation suitable to govern the functioning thereof and the activities of competence;

- avails itself of the Internal Audit Department and, through the latter and where necessary, of any corporate function.

## **8.2. Appointment**

The Supervisory Body is appointed by resolution of the Board of Directors or the management body of each Company.

Those listed below represent ineligibility and/or dismissal reasons from the office as Supervisory Body member:

- the conviction, with judgement no longer subject to appeal, for one of the crimes provided for by Legislative Decree 231/2001 and subsequent supplements;
- the conviction, with judgement no longer subject to appeal, to a penalty that entails the interdiction, also temporary, from public offices, or the temporary interdiction from executive offices of legal persons and enterprises;
- the conviction for a non-negligence crime to imprisonment for more than 2 years;
- the taking of an office not compatible with the necessary independence;
- the existence of a situation of conflict of interests.

A situation of conflict of interests occurs in case of contrast with the impartiality and indolence required by said role, which may cease due to financial, economic interests or other personal interests.

Members of the Supervisory Body shall report the occurrence of a situation of conflict of interests.

The possible withdrawal of the office of a member or the entire Supervisory Body, may occur exclusively for just cause, subject to prior resolution of the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

## **8.3. Functions and powers of the Supervisory Body**

The Supervisory Body:

- oversees the effective implementation of the Model for the purpose of assuring that conducts put in place within the company correspond to the rules set to prevent crimes;
- monitors the meeting over time of the suitability requirements of the Model, i.e. of the overall control structure, in relation to the need to prevent the commission of the crimes provided for in the Decree;
- promotes the update of the Model and of the relating control measures, consequent to the occurrence of organisational or legislative changes.

For the purposes of performing the above functions, the Supervisory Body avails itself of the Internal Audit and Compliance Department.

In particular, the duties of the Supervisory Body are so ensured through:

- preparation of an action plan for the Supervisory Body in accordance with the contents of the Model and based on the reporting received;
- execution of scheduled and extraordinary control interventions;
- a periodic reporting to the B.o.D. and the Board of Statutory Auditors;
- the detection of possible behavioural deviations emerging from the analysis of information flows and from the reporting to be made by the heads of the various functions;
- the functional connection with the Supervisory Bodies set up within the other Group companies;
- the pointing out to the competent functions of any news concerning the infringement of the Model with the consequent monitoring within the Human Resources Department, over the application of any consequent disciplinary sanctions or the reasons for the failed applications;
- the preliminary assessment and monitoring of disclosure and training plans;
- the impulse to the update and adaptation of the Model and the relating control safeguards;
- opinions as regards the review of the most relevant policies and procedures, for the purpose of guaranteeing consistency thereof with the Model;
- proposals of periodic review of the Code of Ethics for the parts of competence.

In carrying out the duties assigned, the Supervisory Body has unrestricted access to the company information for the verification, analysis and control activities. Any corporate function, collaborator or director shall respond in an exhaustive and prompt manner to any request that may come from the Supervisory Body, which will preferably make use for this purpose of the Head of Internal Audit as internal member.

## **9. INFORMATION FLOWS: GOVERNING PRINCIPLES**

### **9.1. Supervisory Body's reporting to the company top management**

The Supervisory Body reports on the implementation of the Model, the arising of possible critical aspects and informs the Control and Risk Committee, the Board of Statutory Auditors and the Board of Directors of the findings of the activities carried out in exercising the duties assigned.

To this end the Supervisory Body prepares:

- a. an half-annual report on the activity carried out and the results achieved, included the data on information flows
- b. immediate reporting on any relevant legislative and case law novelty requiring interventions on the organisational model;
- c. immediate reporting on serious breaches identified while carrying out the verifications. In case these breaches are found by or brought to the knowledge of the Internal Audit Department, the latter shall comply with the disclosure duties provided for by the Corporate Governance Code informing at the same time the other members of the SB. In case the breach of the model concerns members of corporate bodies, the Supervisory Body, if they are one or more members of the Board of Directors or the Board of Statutory Auditors, informs the Chairmen of the Board of Directors, Control and Risk Committee and Board of Statutory Auditors. The Board of Directors or the Board of Statutory Auditors, as applicable, having ordered the necessary assessments, inform the Board of Directors, which, having heard the Board of Statutory Auditors, adopts the appropriate measures.

## **9.2. Reporting to the Supervisory Body: general information, non-structured information and structured information by event or periodic.**

In order to implement the provisions of art. 6 sub.2 lett.d) of the Decree, “*provide for disclosure obligations to the body in charge of supervising over the functioning of and compliance with the models*”, Group companies contemplate 2 categories of information flows:

- a. general information flows and non-structured information, consisting:
  - in the general obligation on the side of the heads of corporate functions or reference persons identified thereby, to inform the Supervisory Body of any useful information to facilitate the conduction of the verifications on the proper implementation of the Model. Furthermore, should they find improvement areas in the definition and/or application of the prevention protocols defined in the Model, they shall promptly forward to the Supervisory Body a report setting out: i) a description of the state of progress of the implementation of the prevention protocols of risk activities of their competence; ii) a description of the verification

activities carried out as regards the implementation of prevention protocols and/or improvement actions undertaken; iii) amendment proposals, if any, to prevention protocols /procedures;

- in the obligation on the side of all heads of corporate functions to inform the SB: i) of the issuance and/or update of instructions, organisational notices or corporate guidelines and procedures ii) the update, if any, of the corporate delegations and proxy system;
- in the obligation for all employees to report directly to the Body through the specific email address activated by each Group companies or through communication on the Group's dedicated channel (see par.10), any infringement by Employees, Corporate Bodies, Agents, Consultants, commercial and financial Partners of provisions or any event that may represent an infringement of the Code of Ethics, the principles of Legislative Decree 231/01 or involve liability risks pursuant to the Decree. Any head of function who has received a reporting of said circumstances from a subordinate or a consultant or vendor, shall forward the reporting to the Supervisory Body retaining a copy of the email forwarded. Agents, consultants, collaborators and commercial and/or financial partners shall report directly to the Supervisory Body or corporate Departments in charge;

b. structured, by event or periodic information:

this is information to be sent to the SB by each corporate function and referred to sensitive processes. It is the duty of the Supervisory Body to define and periodically review, for each sensitive process or risk area, the necessary information to carry out its duties. Said information may be:

- *by event*: meaning that upon occurrence of a certain event the information shall be rendered to the SB (e.g. *beginning of inspections by External Authorities, serious accident on the workplace etc...*)
- *periodic*: meaning that with periodic frequency (monthly, quarterly, semi-annually, annually) aggregate data are transmitted to the SB relating to specific events or transactions (e.g. *absence of accidents on the workplace, new vendors included in the records, out-of-procedure procurements for amounts exceeding X*). For certain events or transactions, the cyclic risk assessment will allow to define whether or not an information shall be provided immediately or on a periodic basis.

The Supervisory Body assesses the reporting received defining the consequent measures in accordance with the provisions of the following paragraph.

The Supervisory Body may decide to ask the corporate functions to provide a declaration stating – as regards a specific period – the absence of events requiring the sending of information.

### **9.3. Transactions in derogation or outside of the procedure.**

Transactions or corporate choices, are to be considered in derogation or outside of the procedure or outside of the system, where they are adopted outside of standard corporate procedures or where (in case of procurement transactions) they are not traced in the management systems.

However, although it is at times necessary to proceed deviating from standard procedures not to hamstring the company's operations, even in these cases, compliance with the following control rules is requested:

- a. Pre-requisites: it is possible to resort to derogations in presence of pre-requirements associated with corporate needs such as, without limitation:
  - *Need and urgency* (e.g. procurements due to an extraordinary event or an accident not compatible with the times necessary to select a provider)
  - *Hyper specialisation*, i.e. that vendor is recognised as highly specialised in that type of supply or service;
  - *Fiduciary relationship*: referred to legal advisors, consultants or, in the selection of the staff to the trust in the person proposing the candidate (e.g. another employee)
  - *Existence of framework agreements*.
- b. Traceability
  - each transaction in derogation shall be strictly traced by retaining all official and unofficial documents evidencing its correctness (e.g. emails exchanged with the vendor);
  - rigour in retaining unofficial documents is proportional to the size of the transaction and referred to the protocols relating to the single sensitive processes. The SB may ask to the single corporate functions a higher traceability level and an on-going update, in respect of single transactions.
- c. Disclosure to the SB

Transactions in derogation are disclosed to the SB by the single functions in charge, by event or with frequency depending on the size of the transaction.

### **9.4. Relations between ITALIAONLINE S.p.A.'s Supervisory Body and that of subsidiaries**

The Parent Company's Body, respecting the functional autonomy of the Bodies of the single Group companies, which autonomously exercise their duties, promotes the dissemination and knowledge by Subsidiaries of the implementing methodology and tools of the Model through the coordination thereof.

The Supervisory Body of the subsidiary informs the Supervisory Body of the holding company as regards the activity carried out, relevant facts and consequent disciplinary sanctions, as well as of the Model adjustments consequent to changes occurred in the environment and/or organisational structure. In particular, the semi-annual report of the administrative body prepared by each Supervisory Body is also transmitted to the Supervisory Body of the Parent Company.

If in carrying out its mandate the SB of the Parent Company detects or is informed of aspects or events that may have an impact also on the Organisational Model of a subsidiary, it immediately informs the SB thereof.

The Supervisory Body of the Parent Company may organise meetings with the Bodies of subsidiaries for an exchange of information aimed at a more effective coordination.

#### **9.5. Collection and storage of information**

Every information, reporting, report provided for in the Model is stored by the Supervisory Body in a specific digital and/or paper archive kept and updated by the Internal Audit and Compliance Department.

In keeping and processing the data contained in the documents of competence, the Supervisory Body of the parent company and those of subsidiaries conform to the provisions set forth in Legislative Decree 196/03 and the other national and international provisions in the matter of personal data protection.

To this end, the appointment deed appoints the internal members as persons in charge of the processing and the external members as external Data Processors.

## **10. THE WHISTLEBLOWING SYSTEM**

### **10.1. Introduction**

The Group requires to each employee and collaborator to promptly report to his chief, to the Head of Internal Audit, to the SB of the respective companies or to the Ethical Committee (see subsection 10.5), either directly or through the tools provided by the company, any infringement of law or of company policy or in any case of illicit or fraudulent behaviour or an act in conflict with the Code of Ethics.



Besides the offences constituting the crimes envisaged in the Decree, the following constitute, without limitation, facts subject to possible reporting:

- theft of goods belonging to the Group;
- counterfeiting or alteration of documents;
- counterfeiting or manipulation of accounts and intentional omission of registrations, events or data;
- destruction, concealment or misuse of company documents, files, archives, equipment and tools;
- misappropriation of money, values, supplies or other goods belonging to the Group or third parties;
- corruption of a public officer to remunerate his function in relationship with company or the omission of an act of his office (e.g. failed issuance of a charge report for tax irregularities);
- acceptance of money, goods, services or other benefits as incentive to favour vendors/companies;
- counterfeiting expense sheets (e.g. "inflated" or false business trip reimbursements);
- counterfeiting of presences at work;
- disclosure of confidential information belonging to the Group to external parties among which competitors;
- unauthorised use of company resources and goods for personal use.

The reporting person is imperatively entitled to the right to forward a reporting on an anonymous basis or by stating his identity.

In any case, it is the specific duty of the addressee of the reporting (Internal Audit, head of function, Supervisory Body 231 or Ethical Committee) to adopt every measure aimed at ensuring the confidentiality of the identity of the reporting person and the protection of the reported person's and third parties' data, without prejudice to the obligations of law.

To this end the company makes available to employees specific reporting channels and technical platforms to facilitate the data protection of the good faith reporting person, reported person and third parties.

The protection of the reporting person identity ceases, in case of reporting that should prove manifestly ungrounded and deliberately intended to the detriment of the reported person or the company.

The performance of retaliation acts against the good faith reporting author or against anyone who collaborates in the verification process of an unlawful fact, represents a serious disciplinary infringement.

## **10.2. Banned reporting**

Reporting, also in anonymous form, shall always have a content from which a loyal spirit of participation in control and in the prevention of detrimental facts for general interests shall emerge.

Anonymity may under no circumstances represent a tool to play out disagreements or contrasts among employees. It is equally forbidden:

- to resort to insulting expressions;
- the filing of reporting with mere defamatory or libellous purposes;
- the filing of reporting exclusively pertaining to private life aspects, without any direct or indirect connection with the business activity. Said reporting will be deemed even more serious where referred to sexual, religious, political and philosophical habits or orientations.

## **10.3. Reporting contents**

The reporting person shall provide all useful elements known to him to verify, with the due assessments, the reported facts. In particular, the reporting shall contain the following essential features:

- a. Subject matter: a clear description of the facts subject matter of the reporting is required, with indication (where known) of the circumstances of time and place in which the facts have been committed/omitted.
- b. Reported person: the reporting person shall indicate the personal data or in any case other elements (such as the corporate function /role) allowing an easy identification of the alleged author of the unlawful behaviour

Furthermore, the reporting person may indicate the following additional elements:

- his personal data, in case he does not want to benefit from the right to anonymity;
- the indication of possible other persons that may report on the facts told;
- the indication of possible documents that may confirm the soundness of said facts;
- every other information that may facilitate the collection of evidences on what has been reported.

## **10.4. Person responsible for the reporting**

The Head of Internal Audit is the person responsible for the reporting.

Anyone who receives a reporting with any tool, unless it has directly been sent to the SB, shall forward it to the Head of Internal Audit, either directly or through the dedicated channel.

The Head of Internal Audit, having performed a preliminary assessment thereof to evaluate its soundness, immediately informs the Supervisory Body of whether reported facts represent direct or indirect infringement risks of the Organisational Model.

In the most serious cases, the provisions in the matter of reporting to Corporate Bodies as provided for by the Corporate Governance Code for listed companies shall apply.

The Head of Internal Audit and Compliance in agreement with the Head of IT assures the necessary security measures for data protection.

### **10.5. Ethical Committee**

The Ethical Committee:

- is comprised of the Heads of Internal Audit and Compliance, Human Resources and Legal and Corporate Affairs;
- draws up supplement proposals of the Code of Ethics and the Organisational Model, to be submitted to the acknowledgement of the SB and the approval of the Board of Directors;
- promotes initiatives aimed at preventing risks and disseminating virtuous behaviours (e.g. *awareness program*);
- collegially reviews the findings of the verification activities conducted by the Internal Audit, subsequent to the reporting of alleged corporate wrongdoing, assessing the opportunity to summon the reported person, in the cases of manifest defamatory or libellous intent;
- resolves, upon proposal of the Internal Audit, the destruction (and not the simple archiving) of reporting with contents exclusively:
  - slanderous;
  - concerning the private life of the reported person, without any connection with the employment activity;
  - of discriminatory nature, since referred to sexual, religious and political orientations, informing the Supervisory Body thereof.

The destruction measure shall be specifically mentioned in the minutes, with indication of the identification details of the anonymous reporting or document (protocol). On the contrary, reporting that should result ungrounded and manifestly defamatory or libellous, will be destroyed only after the possible questioning of the reported person, who shall be entitled to denounce said crimes will pertain. In this case, the anonymous document or reporting will assume the nature of *corpus delicti*.

- approves the report on the performance of the fraud prevention system as well as on the measures adopted to be sent to the Board of Directors, the Board of Statutory Auditors and the Supervisory Body.

## **11. MAIN INHERENT RISKS AND RELATED PROCESSES**

The Board of Directors, without prejudice to current or future findings of the cyclic analysis process of risk areas or sensitive activities, deems that specific attention shall be placed:

- 11.1.** as regards corruption risk in its broader sense (i.e. including corruption among private parties):
- to the selection and management process of vendors and consultants, including the underlying accounting processes;
  - to the selection and management process of human resources and agents;
  - to the management process of settlement agreements with customers, employees, agents and vendors;
  - to the management process of sponsorships, gratuities, representation expense, hospitality and donations;
  - to the management process of sales to the PA and participation in tenders;
  - to the management process of civil, criminal, administrative, tax and social security litigation;
  - to the sale process of goods and services;
  - to the management of inspection activities by Supervisory Authorities and Institutional Bodies (*e.g. Consob, Tax Authority, Inps, Finance Police, Privacy Authority etc...*);
  - to the management of access processes to subsidized or non-refundable loans at regional, national and EU level;
  - to the management of relations with related parties and intercompany relations.
- 11.2.** as regards the risk of corporate, anti-money laundering and self-laundering crimes:
- to the management of administrative accounting processes;
  - to the management of relations with the external Audit Firm;
  - to the management of the corporate secretariat;
  - to the management of relations with the Supervisory Authority;
  - to the management of tax and social security processes;

- to the management of contractual and economic relations with vendors and customers;
- to credit management processes;
- to the management of M&A and private equity transactions;
- to the management of relations with related parties and intercompany relations.

**11.3.** as regards risks relating to market abuse:

- to the management process of corporate and market disclosure;
- to the management process of internal dealing;
- to the management process of M&A transactions;
- to the management of corporate secretariat;
- to the management of related party transactions;
- to the management of marketing initiative and events.

**11.4.** as regards risks relating to computer crimes:

- to the selection and management process of IT and computer services providers;
- to the internal management of IT systems and the selection of the staff to be destined to the role of system administrators;
- to the management of verifications on the vulnerability of internal and/or third party IT systems;
- to the management processes of logic, physic and organisational security measures relating to personal, sensitive, common or judicial data;
- to the management of delivery processes to clients of web services and remote assistance.

**11.5.** as regards risks relating to infringements of copyrights, trademarks and distinctive signs:

- to the sale and realisation process of web contents;
- to the product buying process;
- to the purchase and delivery process of advertising contents.

As regards risks associated with health and safety on the workplace the Board of Directors provided for the extension of the certification OHSAS:18001, already awarded to the former holding company Italiaonline S.p.A., to the Parent Company, as qualitative element of the management of employees safety expressly referred to by art.30 of Legislative Decree 81/08, in the matter of exemption under Legislative Decree 231/01 and the set up of a centralised protection and prevention Service capable

of ensuring adequate control measures compliant with the legislation in force for all Group companies.

## **12. METHODOLOGY FOR THE IMPLEMENTATION OF THE MODEL AND THE ASSESSMENT OF RISK**

The implementation and update methodology of the Organisational Model follows the structuring by phases based on the best practice and the indications of the guidelines of the most important category associations (the main reference is represented by Confindustria's guidelines) for the purpose of guaranteeing the quality and authority of results.

Based on these Guidelines and of the Group's Code of Ethics, the steps followed are:

- identification, among the crimes provide for in the catalogue "231", of those that may qualify as inherent risks and non-inherent one in relation to the processes, activities and in general businesses of the Group, distinguishing for *inherent crimes* between *final* behaviours and *instrumental* conducts (e.g. compliance with accounting rules to avoid the generation of funds intended for corruptive activities)
- identification of sensitive activities ("as-is analysis"). This stage is aimed at identifying the processes and activities in the context of which the crimes referred to in Legislative Decree 231/01 may be committed as well as the instrumental activities to the commission of the crimes. The identification of the risk level, is carried out based on quantitative and qualitative criteria.
- Performance of the "gap analysis". The gap analysis activity is aimed at identifying both the organisational requirements that characterise an Organisational Model suitable to prevent the crimes referred to in Legislative Decree 231/2001, and the improvement actions of compliance with pre-existing controls through a comparative analysis (so called "gap analysis") against optimal control measures to monitor the risks that crimes are committed on the basis of the content of the Decree regime and best practices.
- Implementation of procedural (protocols), systemic and organisational control measures.

Said activities are carried out in accordance with the provisions of para. 7.2.

In the risk assessment, the Group's management takes into account not only the sanctions provided for by Decree "231", but also the reputational damage and the other indirect impacts that may derive from the Company's involvement in proceedings to establish an administrative liability from crimes.

## 13. PRINCIPLES OF CONDUCT IN THE MAIN RISK AREAS

### 13.1. Introduction

For the purpose of complying with these Guidelines, in the main areas at risk and in instrumental ones, the following main principles shall be complied with:

- **segregation of responsibilities:** duties, operational activities and control functions shall be adequately segregated, so that the person responsible for the operational activity is always a person other than the one who controls and authorises it;
- **signature powers system:** signature powers, formally defined, shall be associated and consistent with the organisational and operational responsibilities assigned and exercised within pre-set value limits;
- **clearness and simplicity:** the duties and responsibilities of all persons involved in corporate processes, as well as the activities and relating controls, shall be clearly defined and shall provide for easy application and comprehension mechanisms;
- **impartiality and absence of conflicts of interest:** the addresses of the Model shall operate with professionalism and impartiality. They are accordingly under the obligation to avoid each and any situation that may give rise to a conflict of interest, such as to have an impact – even potential – on their ability to act in the interest of the Company and shareholders;
- **traceability and storage:** all activities – and relating controls– shall be traced and verifiable on an *ex post* basis, where possible, also by using adequate documental/digital means; documents produced shall be appropriately stored.

### 13.2. Principles of conduct in the main operational processes

As regards the main operational processes the following principles of conduct shall be complied with.

#### Loans

- traceability of relations held with the financing Entity or person;
- completeness, accuracy and truthfulness of the documents pertaining to the various stages of request, management and final balance of the loan;
- compliance with the Proxies in respect of the signing of the loan application and the documents pertaining to the reporting to be transmitted to the financing Entity or person;

- monitoring of the proper execution of the project financed and verification of consistency between accounting progress and physical progress;
- accuracy of accounting records.
- preliminary identification and assessment of the vendors referred to the financed project with clear rules in the matter of sub-contracting and traceability of payments.

**Sale process of goods and services**

- identification of the persons responsible for the preparation of the bid proposal, the relating timings and the various authorisation stages;
- identification of the persons authorised to hold relations with customers, both in the preparation stage of the bid proposal and in the submission stage;
- authorisation by the adequate levels and in line with the corporate functions, of the essential features (technical, industrial and commercial) and of the economic-financial analysis of the bid proposal, formalised – where possible – in a specific document;
- compliance with the proxies and the segregating of roles, in the signing of the offer to be sent to the client and of the relating contract;
- compliance, yet in the offer stage, with the principles of transparency and objectiveness in the identification and selection of sub-contractors/vendors, where provide for. Under no circumstances, they shall be designated by the client, unless this is expressly provided for in the contract;
- compliance with the powers in the management of discounts;
- definition of clear and uniform formal rules in the management of agents and marketing assistants.

In addition to the above principles, in the acquisition and management of the services offered to the Public Administration, the following principles shall be complied with:

- assessment of the meeting of the pre-requirements of the negotiated procedure by different corporate functions;
- analysis of the invitation to tender and beginning of the preparatory activities of the bid proposal;
- identification of the persons responsible for the technical and economic bid proposal, the relating timings, the relating authorisation stages and the possible performance of the contract, as well as the persons responsible for the preparation of the documents to take part in possible tenders;



- segregation between who prepares the bid proposal and who effects the verification thereof;
- identification of the persons authorised to hold relations with the Public Administration, both in the bid proposal preparation stage and in the activity performance stage;
- prohibition to support the Public Administration (including its subsidiaries) in the preparation of invitations to tender;
- formalisation of the essential analyses (technical, industrial and commercial) and economic-financial analysis of the bid proposal;
- compliance with proxies for the signing of the bid proposal to be sent to the Public Administration;
- authorisation, in line with the corporate functions, of possible variations of the bid proposal subsequent to negotiations with the Public Administration;
- compliance with the proxies in force in respect of the signing of the contract;
- compliance, yet in the offer stage, with the principles of transparency and objectivity in the identification and selection of sub-contractors, where provided for.

#### **Procurement of goods and services**

- outline consistency among planned needs and those included in the budget, goods and services account and buying centres;
- segregation between requesting functions, buying function and vendor rating function
- knowledge of the vendor and its reputation and vendor qualification;
- cost effectiveness, quality, promptness and fairness;
- minimization of risks and maximization of value;
- exceptional recourse to direct award;
- identification of roles, duties and responsibilities of those responsible for vendor qualification;
- traceability of the documents relating to the vendor qualification process;
- monitoring and periodic update of the register of qualified vendors for the purpose of verifying the on-going meeting of the qualification requirements;
- traceability of the assessments and feedbacks received by the requesting functions in respect of the goods and services rendered by qualified vendors.
- compliance with the proxies in force in respect of the signing of the contract with the selected vendor;
- definition of the persons responsible and operational modalities in relation to possible contractual renewals or extensions;

- traceability of the documents relating to the vendor selection process.
- verification of consistency between actual deliveries of goods and services and what provided for in the contract (acceptance of the good or service).
- traceability - also extra system - of the actual delivery of the service or goods;
- in case of fiduciary holdings, provision of a disclosure by the vendor guaranteed by a confidentiality agreement.

### **M&A transactions**

- verification of the identity and reputational, integrity and honourability requisites of shareholders and directors of the company subject matter of the M&A transaction and, in case of Joint Venture, of the Partner;
- assessment of the possible areas at risk of corruption of the company subject matter of the M&A transaction or Joint Venture;
- existence of a model “231” or antibribery policies within the company subject matter of the M&A transaction or Joint Venture;
- existence of possible proceedings, sanctions or convictions, for violations directly or indirectly linked to crimes 231, against the company subject matter of the M&A transaction and, in case of Joint Venture, of the Partner, shareholders, directors and management thereof.
- in case of fiduciary holdings direct verification providing for a disclosure by the company subject matter of the M&A guaranteed by a confidentiality agreement.

### **13.3. Principles of conduct in instrumental activities and processes**

As regards the main instrumental processes the following principles of conduct shall be complied with.

#### **Gifts and representation expenses**

##### Gifts

Any gift:

- shall be made or received in good faith and in relation to legitimate business purposes, but only if of merely symbolic value and in accordance with the policy of the Company and the counterparty.
- it may never consist in a cash payment;

- its purpose may never be the exercise of an unlawful influence or the expectation of reciprocity;
- shall be such as not to be possibly interpreted as aimed at obtaining a favour treatment;
- shall be included in specific company provisions (e.g. gift list, affiliated structures);
- be in line with generally accepted professional courtesy standards.

Representation expenses:

- may consist in symbolic values associated, without limitation, with the payment of restaurants or hotels, on occasion of meetings of commercial nature
- shall be adequately documented
- where concerning Public Officers, shall be reported to the SB.

Being hosted at events organised by vendors or clients or of vendors or clients, shall always be authorised by the direct superior, within the limits of specific procedures and be reported to the SB

**Sponsorships and gratuities to associations and entities**

Any sponsorship and contribution to associations or entities shall provide for the following verifications:

- the nature, importance or reputation of the event, project or activity;
- the identity and reputational, honourability and integrity requisites of the addresses of the sponsorship or contribution;
- whether or not the initiative is compliant with the law;
- whether or not the initiative has been requested by a Public Officer or a person discharging a Public Service.

**Staff recruitment, hiring and management**

Staff recruitment, hiring and management are inspired by principles of fairness and impartiality, respecting the candidate's and employee's professionalism and skills.

In general, recruitment channels are represented by *Headhunting firms, Universities, Advertisements or Temporary labour firms*. Any recruitment outside said channels shall be considered as an activity in derogation (see para. 9.3.) and treated as such.

Designations by Public Officers or representatives of the Public Administration are mandatorily forbidden.

The resources shall correspond to the profiles actually necessary for the company needs.

Furthermore, the following principles shall be complied with:

- segregation between who:
  - expresses the need to hire staff;
  - approves the hiring budget;
  - recruits and hires candidates;
- usual definition of a short-list of candidates for the position;
- comparison assessment of candidates based on professionalism, skills and aptitude criteria in relation to the specific functions for which the hiring is intended.

The recruitment process shall always provide for a double interview:

- a technical one conducted by the requesting Department/function
- the other one on soft skills conducted by the Human Resources Department.

No favouritisms are allowed in the management of human resources. The Group sets general criteria for carrier advancements, through periodical assessments of skills and potential.

Out-of-plan advancements shall be reported to the SB.

### **Settlement terminations of relations**

Settlement terminations of relations with employees, vendors and clients:

- shall provide for authorisation escalation depending on the amount;
- may never be subject to external interferences, which shall be reported to the SB;
- shall be characterised by utmost confidentiality, save for the subsequent reporting duties to the SB;
- under no circumstances may they concern persons (vendors or employees) involved in proceedings for crimes "231".

### **Engagements for professional services**

The selection process of the professional to be engaged shall take place in compliance with competition, transparency, competence, cost effectiveness, effectiveness, promptness and fairness criteria.

For the purpose of the selection of the professional it is necessary to:

- justify the engagement need and usually select the professional from amongst at least two candidates with characteristics potentially suitable for the performance of the activity subject matter of the engagement;
- justify the need to contact a specific professional (without initiating the selection process), should this be necessary in respect of the purpose of the engagement (so called *intuitu personae*);

- ascertain that the professional meets adequate integrity and professionalism requirements necessary to carry out the mandate, and that no situations of incompatibility and conflict of interests exist;
- verify that the Country of residence or where the professional maintains his offices is not included in the list of Countries considered as having a privileged tax regime, should this Country be different from the one where the services shall be rendered.

Services rendered by the professional shall be monitored, also through suitable reporting, for the purpose of verifying compliance with the terms and conditions of the mandate.

The activities carried out for the purpose of granting professional service mandates shall be adequately traced and reconstructible.

### **Keeping and control of accounts**

The Company and Group companies, in respect of the keeping of accounts (general accounts, financial statement and other corporate disclosure), set up an internal control system and carry out adequate and sufficient accounting controls for the purpose of providing reasonable assurances as regards the reliability of the financial information and the drafting of the financial statements, in accordance with international accounting principles and, in any case, with the legislation in force in the Italian jurisdiction and that of the jurisdiction where Group companies maintain their office or a stable operational presence.

The internal control system accordingly provides for specific controls at different organisational levels, with adequate implementation modalities.

## **14. TRAINING AND AWARENESS RAISING PLAN**

### **14.1. Introduction**

Italiaonline undertakes to promote and give extensive consideration, as part of its internal disclosure, to matters linked to the staff deontological/behavioural area and to the prevention of irregularities. In this context, wide disclosure, within and outside the structure, is given to the Code of Ethics, the principles set out in the Model (available on the Company Intranet) and the Guidelines of the Model (available on the institutional website).

The level of training and disclosure is implemented with a different degree of in-depth analysis depending on the different level of involvement of the same resources in sensitive activities.

### **14.2. Disclosure to members of corporate bodies**

The Model is formally communicated by the Supervisory Body to each corporate bodies' member. The person who receives the communication signs a statement of knowledge of and adhesion to the Model.

#### **14.3. Training and disclosure to employees**

The Model is formally communicated to all Italiaonline employees in office. The structure of training courses is defined by the Supervisory Body in coordination with the competent corporate functions.

As already mentioned, this document is made available on the company's intranet and internet websites, while the Model is made available on the company intranet website.

The organisation of seminars and other training and disclosure initiatives may also take place at distance by using IT means, also for the purpose of promptly divulging and facilitating the comprehension of the principles and contents of the Model, as well as updating on possible amendments thereto.

#### **14.4. Training programmes within Group companies**

The single Supervisory Bodies of Group companies are bound to promote the implementation of training programmes deemed more adequate depending on the size, activity carried out and single sensitive processes of each company.

#### **14.5. Disclosure to third parties and the market**

In accordance with what already provided for in respect of the Code of Ethics, the document "Guidelines of the Model 231" is made available to all those with which Italiaonline holds commercial and financial relations in the specific section of the Company website ([www.italiaonline.it](http://www.italiaonline.it)).

The commitment to compliance with the principles and conduct rules expressed in the Code of Ethics of the Italiaonline Group by third parties having contractual relations with Italiaonline and/or Group companies shall be provided for by a specific article in the relating contract, which shall be accepted by the third party contractor.

## **15. THE DISCIPLINARY SYSTEM**

### **15.1. Function of the disciplinary system**

Art. 6, subsection 2, lett. e) and art. 7, subsection 4, lett. b) of Legislative Decree 231/2001 provide for (as regards both persons in top positions and persons subject to the direction

of others) the necessary preparation of "a disciplinary system suitable to sanction failed compliance with the measures indicated in the model".

The application of the disciplinary system is triggered by the simple infringement of the rules and provisions set out in the Model, and accordingly it will be implemented regardless of the initiation and outcome of criminal proceedings possibly initiated by the competent judicial Authority.

### **15.2. Infringement of the Model**

By way of mere example, the following constitute serious infringements of the Model for which dismissal for misconduct shall be provided for:

- the taking of actions or behaviours not compliant with the prescriptions of the Model, or the omission of actions or behaviours prescribed by the Model (including the reporting to the SB/Internal Audit) which:
  1. have determined for the company an objective situation of risk of liability pursuant to the Decree;
  2. are univocally aimed at committing one or more of the contemplated crimes;
  3. are such as to have determined the application against the company of the sanctions provided for.

The following constitute non-serious infringements:

- the taking of actions or behaviours not compliant with the prescriptions of the Model that do not constitute infringement of provisions of law.
- the taking of actions or behaviours not compliant with the principles set out in the Code of Ethics, but that do not constitute infringement of provisions of law.

### **15.3. Measures against Directors**

In case of infringement of the Model by one or more members of the Board of Directors, the same Board of Directors proceeds with the necessary investigations and adopts, having heard the Board of Statutory Auditors, the necessary measures, among those provided for by the applicable legislation.

### **15.4. Measures against Statutory Auditors**

In case of infringement of the Model by one or more members of the Board of Statutory Auditors, the same Board of Statutory Auditors proceeds with the necessary investigations

and informs the Board of Directors thereof, for the appropriate measures, as provided for by the applicable legislation.

#### **15.5. Measures against executives**

In case of established infringement of the Model by executives, the company will apply against those responsible the most appropriate measures in accordance with what provided for by national collective contracts.

As regards the assessment of infringements and application of sanctions, the powers granted, within the limits of the respective competence, to the competent corporate bodies and corporate functions remain unchanged.

The Resources and Organisation Department informs the Supervisory Body of the application of said sanction. The Supervisory Body monitors the application of disciplinary sanctions.

#### **15.6. Measures against employees not holding executive offices**

In case of infringement of the Model, the assessment procedure, as provided for by the National Labour Collective Contract in force, is initiated.

After having applied the disciplinary sanction, the Resources and Organisation Department notifies the application of the sanction to the Supervisory Body. The Supervisory Body monitors the application of disciplinary sanctions.

#### **15.7. Measures against Agents**

The following will be adopted against the agent that commits infringements to the rules and provisions of the Model, depending on the seriousness of the behaviour:

- call for strict compliance with the provisions of the Model; or,
- withdrawal for just cause.

In any case, the compensation for the possible damages derived to the Company by the Agent behaviour remains unprejudiced.

#### **15.8. Measures against Consultants and commercial and/or financial Partners**



The infringement of this Model provisions and prescriptions applicable to Consultants and commercial and financial Partners is sanctioned in accordance with the provisions of the specific contractual clauses included in the relating contracts.