



Policy

**Organization and Management Model of
UniCredit S.p.A.
pursuant to Italian Legislative Decree 231/2001**

Approving Function Board of Directors

Date: February 2019

Proponent Group Compliance

[UniCredit Group- Internal Use Only]

MASTER RECORD

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Replaced/revised regulations and main changes introduced

Replaced/revised regulation	Replaced/ revised regulation date	Reason /Summary of main changes	Change type
3635/4	26/09/2018	<ul style="list-style-type: none"> Updated reference contacts and correction on whistleblowing paragraph 	Revision

Linked Group regulation

Title	Internal regulation number	Brief explanation of the connection
<i>The Decision Protocols and the Informative Notes according to Model 231 of UniCredit S.p.A.</i>	<i>The Decision Protocols and the Informative Notes according to Model 231 are published in norm@NET > Consolidated Texts > Legislative decree no. 231 dated 8th June 2001> Protocolli 231 e Note Informative</i>	<i>The Decision Protocols and the Informative Notes according to Model 231 are integral part of the Organization and Management Model of UniCredit S.p.A.</i>

Browser for Foreign Branch addressees

Sections in the area of responsibility of UniCredit S.p.A.	The entire document
Sections in the area of responsibility of UniCredit S.p.A. International Branches	The entire document

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CHAPTER 1 SCOPE AND PURPOSE OF THE ORGANIZATION AND MANAGEMENT MODEL

1.1 Introduction

This Organization and Management Model of UniCredit S.p.A. (hereinafter “the Model”), adopted by the Board of Directors is composed of:

- this General Section, which contains
 - the regulatory framework;
 - a description of the control system adopted by UniCredit S.p.A. in order to mitigate the risk of perpetration of the offences envisaged by Italian Legislative Decree 231/01;
 - the identification and appointment of the Supervisory Body of UniCredit S.p.A. (hereinafter also the “SB”) with specification of its powers, duties and relevant information flows;
 - the disciplinary system and its penalties;
 - the information and training plan to be adopted in order to ensure awareness of the Model’s measures and provisions;
 - update policies and adjustment of the Model;
- the Special Section, that is the decision protocols.

The Model also includes the following annexes, which form an integral part thereof:

- Annex 1 “List of predicate offences and illegal conducts”;
- Annex 2 “Code of Ethics” pursuant to Italian Legislative Decree 231/01.

1.2 Addressees

The principles and contents of the Model are addressed to the following persons (hereinafter the “Addressees”):

- members of the Corporate bodies;
- all UniCredit S.p.A. staff, including those seconded abroad with Group companies, namely:
 - subordinate employees, including the *top management* and the employees of UniCredit S.p.A. foreign branches (hereinafter “UniCredit” or “the Bank”);
 - employees under fixed-term employment contract (including for example project-based staff and interns);
 - employees of Group companies on secondment with the Bank;
- within the scope of existing relationships, third parties, including without limitation
 - self-employed staff or quasi-employees;
 - professionals;
 - consultants;
 - agents;
 - suppliers;
 - business partnerswho, although they do not belong to UniCredit, take part in carrying out the Bank’s activities, on the basis of contractual relations.

1.3 Function and purpose of the Model

The decision of the Board of Directors of UniCredit S.p.A. (hereinafter also “BoD”) to adopt a Model was taken as part of a broader Bank policy applied throughout the Group. This policy has been implemented through a series of initiatives to encourage the Addressees to espouse the principles of transparency and conscientious management to comply with current legislation, and to embrace fundamental ethical principles in the pursuit of the corporate purpose.

In particular, by adopting the Model, the Board of Directors intends to pursue the following objectives:

- to inform all the Addressees that UniCredit unequivocally condemns any conduct that is contrary to the provisions of the law, supervisory rules, internal regulations and the principles of sound and transparent business activities that guide the Bank;
- to remind the Addressees of the severe administrative sanctions that will be imposed on the Bank if offences are committed;

- to prevent unlawful conduct, including the commission of criminal offences, in the Bank by maintaining constant control over all areas of risk and by training staff in the proper discharge of their assigned duties.

1.4 Adoption of the Model within the Group

For the purpose of this Model, companies being part of the Group shall mean all the Italian companies directly or indirectly controlled by UniCredit S.p.A., as well as the permanent establishments in Italy of foreign companies, directly or indirectly controlled by UniCredit S.p.A..

UniCredit S.p.A., aware of the importance of a correct application of the principles established by Italian Legislative Decree 231/01 within the entire Group, provides the companies belonging to and directly controlled by UniCredit Group, through the most suitable procedures, with the principles and guidelines to be accomplished in order to adopt the Organization and Management Model pursuant to Italian Legislative Decree 231/01". These companies are in turn responsible for sending the above information to their subsidiaries.

The Group member companies appoint their own Supervisory Body and autonomously adopt, by resolution passed by their Boards of Directors and under their own responsibility, their own «Organization and Management Model» pursuant to Italian Legislative Decree 231/01.

Each Group member company identifies its own at-risk activities as well as suitable measures to prevent perpetration of the offences, considering the nature and type of the activity performed, as well as the size and structure of its organization.

In drawing up their own Model, the Group member companies follow the principles set forth in the UniCredit S.p.A.'s Model and assimilate its content, unless analysis of their own at-risk activities highlights the need or the advisability of adopting different or further specific measures of prevention over and above those indicated in this Model. The Group member companies submit any problematic aspect that they may encounter in ensuring that their Organization and Management Model complies with this Model to the Supervisory Body of UniCredit S.p.A., by asking a Non-Binding Opinion. The opinion provided by the Holding Company's Supervisory Body will not however limit in any way the autonomy of either the Supervisory Bodies or the Boards of Directors of the individual companies in taking the decisions they deem most appropriate in relation to the concrete reality of their companies.

In its capacity as Holding Company, UniCredit S.p.A. has the power to verify compliance of the Models implemented by the subsidiaries with the criteria above specified. UniCredit S.p.A. uses the Internal Audit organizational structures to carry out this control activity.

CHAPTER 2 THE REGULATORY FRAMEWORK

2.1 The legal system of administrative liability of legal entities, companies and associations

Italian Legislative Decree no. 231/01 was issued in partial implementation of the Delegated Law no. 300 dated September 29, 2000 and regulates, by introducing for the first time into the Italian legislation, the concept of administrative liability of legal entities, companies and associations, including those without legal personality (Entities).

The Delegated Law no. 300/2000 which, inter alia, ratifies and implements the Convention on the Protection of the European Communities' Financial Interests of July 26, 1995, the EU Convention of May 26, 1997 on Prevention of Bribery involving European Community Officers or EU member States and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of December 17, 1997, complies with the obligations contained in the foregoing international agreements, and specifically those of the EU, which order the provision of paradigms of corporate liability and a corresponding system of sanctions to punish corporate crime.

Italian Legislative Decree 231/01, which brings Italy into line with international requirements and harmonizes its legislation with that of many other European countries, establishes the concept of liability of a "*societas*", defined as "*an autonomous centre of interests and legal relations, a reference point for duties of various nature, and a matrix of decisions and activities carried out by persons operating in the name, on behalf, or in the interest of the entity*"¹

The establishment of the principle of corporate administrative liability arises from the empirical consideration that illegal activities carried out within a company, far from being the result of an individual's private initiative, are more frequently the result of a pervasive *company policy* and stem from decisions made at the top levels of the company in question.

It concerns an "administrative" liability unique in its characteristics, as although it entails civil sanctions, it ensues from a criminal offence, for which the rules and safeguards of criminal trials apply.

Specifically, in Article 9, Italian Legislative Decree 231/01 foresees a series of sanctions that can be divided into four types:

- pecuniary sanctions
- disqualifying sanctions:
 - disqualification from exercise of activities;
 - suspension/revocation of a license or a concession or an authorization functional to the perpetration of the offence;
 - prohibition on contracting with public administration;
 - exclusion from benefits, contributions, funding and subsidies and possible revocation of those already granted;
 - ban on advertising goods or services;
- confiscation;
- publication of the sentence.

Administrative sanctions against a company may only be imposed by a criminal court judge and only if all the objective and subjective conditions envisaged by the legislator are met, and namely: perpetration of the offence in the interest or to the advantage of the company by corporate officers ("apical" directors or their subordinates).

Corporate liability also extends to offences committed abroad, provided that no action is taken by the State where the offence was committed and provided that the specific conditions envisaged in Italian Legislative Decree 231/01 apply.

Administrative liability arises above all from an offence committed *in the interest of or to the benefit of* an entity. In case of an *exclusive* advantage of the perpetrator (or of a third person other than the entity), the entity will not be held liable insofar as it is absolutely and manifestly uninvolved in the offence.

With regard to the persons involved, Article 5 of Italian Legislative Decree 231/01 specifies that the entity will be held liable if the offence is committed:

¹ Report to the preliminary project of the Criminal Code reform – Grosso Committee

- a) “by persons holding representative, administrative or directional functions in the entity or in a unit of the entity with financial and functional autonomy or by persons who have even de facto responsibility for management and control of the entity” (“apical” subjects);
- b) “by persons under the direction or supervision of one of the persons referred to in point a) above” (“subordinate” subjects).

The entity’s liability is additional to that of the natural person who physically committed the offence, and is not dependent thereon, as it exists even when the perpetrator of the offence has not been identified or cannot be charged or in the event that the offence is extinguished for a cause other than amnesty.

For the purpose of asserting the liability of the entity, further to the above-mentioned criteria that objectively link the offence to the entity, the legislator requires also an inquiry as regards the entity’s culpability. This condition is intended to determine an *organizational liability*, which consists in a breach of the due diligence rules set by the entity itself in order to prevent the specific risk of perpetration of offences.

The legislator has set forth specific provisions for the cases of transformation, merger, reverse merger and sale of business, for which further details can be found in the provisions of Articles 28-33 of Italian Legislative Decree 231/01.

2.2 Crimes and offences that give rise to the administrative liability of entities

Originally prescribed for offences against the Public Administration (hereinafter “P.A.”) or prejudicial to P.A.’s wealth, corporate liability has since been extended by legislative measures subsequent to Italian Legislative Decree 231/01 to include many other crimes and administrative offences. With regard to the latter, it is hereby specified that each time this document refers to “predicate offences” or “offences”, this reference includes all the crimes introduced by the legislator, such as those envisaged by the market abuse regulations (Article 187 *bis* and 187 *ter* of Italian Legislative Decree 58/98²).

Most notably, corporate administrative liability may arise from the offences/crimes foreseen by Italian Legislative Decree 231/01, as hereunder listed:

- 1) Offences against the public administration (Articles 24 and 25);
- 2) IT offences and unlawful data processing (Article 24 *bis*);
- 3) Organized crime (Article 24 *ter*);
- 4) Counterfeiting currency, securities and revenue stamps and distinguishing signs or marks (Article 25 *bis*);
- 5) Crimes against industry and commerce (Article 25 *bis*.1);
- 6) Corporate offences (Article 25 *ter*)³;
- 7) Crimes for the purpose of terrorism or subversion of democratic order (Article 25 *quater*);
- 8) Mutilation of female genital organs (Article 25 *quater*.1);
- 9) Crimes against the person (Article 25 *quinquies*);
- 10) Market abuse (Article 25 *sexies*);
- 11) Unlawful killing or serious/very serious personal injury caused by breach of laws on accident prevention and industrial health and safety (Article 25 *septies*);
- 12) Receipt of stolen goods, money laundering, use of money, goods or benefits of unlawful provenance, and self-laundering (Article 25 *octies*)⁴;
- 13) Crimes involving breach of copyright (Article 25 *novies*);
- 14) Inducement not to provide statements or to provide untruthful statements to the judicial authorities (Article 25 *novies*);
- 15) Environmental offences (Article 25 *undecies*);

² In criminal law, the “offence” is a human act that has been perpetrated or omitted, to which the legal system associates a criminal punishment based on the fact that said conduct has been defined as unlawful as it constitutes an offence to a legal asset or to a series of legal assets (which may be financial or non-financial assets) protected by the legal system through a special criminal law provision. It is therefore included in the wider category of crime.

³ Law 6 November 2012, nr. 190 amended Article 25 *ter* of the Italian Legislative Decree 231/2001, inserting among Corporate offences, the crime “Bribery between private individuals” as per Article 2635 of the Italian Civil Code. The 25 *ter* Article was afterward modified by the Italian Legislative Decree 38/2017 with the introduction of the crime “Incitement to Bribery between private individuals” referring to the article no.2635 *bis* of the Italian civil code. The same Decree has also introduced some updates related to the crime “Bribery between private individuals”.

⁴ Article 25 *octies* of Italian Legislative Decree 231/01 was updated s by Law 15.12.2014 n. 186 with new crime of “self -laundering” added to Italian Penal Code, Article 648-ter.1.

- 16) Employment of illegally staying third country nationals (Article 25 *duodecies*);
- 17) Racism and xenophobia (Article 25 *terdecies*);
- 18) Transnational Crimes (Article 10 Law no.146 of March 16, 2006).

For further details on description of the type of offences related to banking activity and example of perpetration of offences, see Annex 1 "List of predicate offences and illegal conducts".

Corporate responsibility may arise both when all the *prima facie* elements of the offense are present (for example fraudulent actions, misleading action, profit and damage in the offense of fraud), and even when the offense has not been fully completed - since the action was not completed or because the event did not occur - therefore remaining at the attempt⁵ stage only (if this is the case, the penalty applied to the natural person and any sanctions for the company will only be reduced where the rules to attribute liability pursuant to paragraph 2.1. exists, pursuant to Article 26 of Italian Legislative Decree 231/01).

In addition, for the commission of an offense by the parties pursuant to Article 5 of Italian Legislative Decree 231/01, they only have to have taken part as accomplices with the perpetrator in accordance with Article 110 of the Italian Criminal Code for which "When more than one person conspires to commit the same offense, they will each be subject to the penalty established for it"⁶, taking part in the decision-making process or implementation leading to commission of the unlawful action.

Finally, with respect to the crimes of association described under Article 24 *ter* (Organized crime offenses), the company may also be held liable if the parties described under 2.1. (management and underlings) have taken part, or in any case supported the conspiracy, in the interest of and/or to the advantage of the Bank, either as internal members or a competitor outside the organization, and regardless of the type of offenses - scope of the conspiracy (which may not be included in the above-mentioned list: for example tax crimes, usury, unlawful bank activities, etc.) and their actual realization

2.3 Adoption of the Organization and Management Model for the purposes of exemption from administrative liability

Pursuant to Article 6 of Italian Legislative Decree 231/01, if the offence was committed by "apical subjects", the entity is not liable if it proves that:

- a) before the offence was committed, the managing body had adopted and effectively implemented appropriate organization and management Models for preventing the offence in question;
- b) the task of monitoring the functioning and compliance of the Model and their update was assigned to a corporate body with independent powers of initiative and control;
- c) the perpetrators committed the offence by fraudulently circumventing the Organization and Management Model;
- d) there was no omission or insufficient control by the body referred to in letter b).

Article 7 of Italian Legislative Decree 231/01 also establishes that if the offence is committed by persons under the direction and supervision of a person in an "apical" position (see paragraph 2.1), the entity's liability exists if perpetration of the offence was made possible due to failure to observe the obligations of direction and supervision. However, the failure to observe said obligations is excluded and likewise the entity's liability if, prior to perpetration of the offence, the entity had adopted and effectively implemented an appropriate Organization and Management Model for preventing offences of the sort that occurred.

It is also specified that, in the circumstance outlined in Article 6, (actions committed by persons holding "apical" positions) the burden of proving the existence of the dispensing circumstance lies with the entity, while in the case outlined in Article 7 (action committed by persons subject to the supervision of others) the burden of proof regarding non-observance, or nonexistence of the Models or their unsuitability, lies with the prosecution.

The mere adoption of the Organization and Management Model by the *managing body* - which is the body holding management powers, namely the Board of Directors - will not be deemed sufficient to exempt the entity from liability insofar as the Organization and Management Model must also be both *efficient* and *effective*.

⁵ The attempted commission of an offence is punishable under Italian criminal law provided that the actions are judged to be *capable and unequivocally aimed* at committing a crime in accordance with the provisions of Article 56 of the Italian Criminal Code.

⁶ This regulation has incriminating power since it allows the punishment to be extended also to those who have made a significant contribution towards realization of the offence with the perpetrator - even though their actions do not fully correspond to those laid out in the *prima facie* elements - where the term significant must refer to a contribution that had a causal effect on the perpetration of the offence (either at a material level by facilitating the execution, or on a moral level, determining or strengthening the criminal intent of the perpetrator of the offence).

As regards the efficiency of the Organization and Management Model, the legislator specifies, in Article 6 paragraph 2 of Italian Legislative Decree 231/01, that it must fulfil the following requirements:

- a) identify activities in the context of which offences may be committed (the so called “mapping” of those activities that are exposed to risk);
- b) envisage specific protocols for the planning and implementation of the entity’s decisions regarding the prevention of offences;
- c) Identify appropriate methods of management of financial resources in order to prevent the commission of offences;
- d) establish information obligations *vis à vis* the body in charge of overseeing the functioning of and compliance with the Organization and Management Model;
- e) introduce a suitable disciplinary system envisaging penalties for lack of compliance with the rules indicated in the Model.

Conversely, the effectiveness of an Organization and Management Model depends on its *efficient implementation* which, pursuant to Article 7 paragraph 4 of Italian Legislative Decree 231/01, entails:

- a) controls on a regular basis and, if necessary, amendment of the Model, if significant breaches of its prescriptions are discovered, or if changes take place in the organizational arrangements, in the company’s business or in regulations (Model update);
- b) a suitable disciplinary system to punish lack of compliance with the rules specified in the Model.

2.4 Sources of the Model: ABI guidelines for the adoption of Organization and Management Models for administrative liability of banks

In Article 6 paragraph 3, Italian Legislative Decree 231/01 expressly states that Organization and Management Models may be based on codes of conduct that have been prepared by industry associations and communicated to the Ministry of Justice.

In implementation of the foregoing legislative measure, ABI (Italian Banking Association) drew up and subsequently updated the “Guidelines for the adoption of Organization and Management Models relating to the administrative liability of banks”.

In drawing up its own Organization and Management Model, the Bank took explicit account of the provisions of Italian Legislative Decree 231/01 and also of the aforementioned ABI guidelines.

CHAPTER 3 ITALIAN LEGISLATIVE DECREE 231/01 RISKS PREVENTION MEASURES

This Model is integrated within the rules, procedures and control systems already in place and applied in UniCredit S.p.A..

The Bank's organizational framework consists of the set of rules, structures and procedures that ensure the proper functioning of the Model; it is a structured comprehensive system which is in itself a tool to oversee the prevention of unlawful conducts in general, including those envisaged by the specific legislation on the administrative liability of entities.

In particular, the Bank has identified the following specific tools to plan the formulation and implementation of business decisions and carry out the relevant checks:

- the rules of Corporate Governance;
- the internal controls system;
- the system of authorities and delegation;
- the Integrity Charter and the Code of Conduct.

In addition, the Bank

- formalized the following through specific decision protocols:
 - the result of the analysis of “at-risk activities” in relation to which the underlying offences may be committed;
 - the principles of conduct and control rules aimed at preventing the offences.
- established additional rules of conduct in the Code of Ethics pursuant to Italian Legislative Decree 231/01 aimed at all employees in order to prevent illegal conducts that fall within the offenses envisaged in the Decree.

3.1 Governance of the Bank and of the Group

3.1.1 The Group's organizational structure

The Bank is the Parent Company of the Banking Group which bears the same name (hereinafter, the “UniCredit Group” or the “Group”) and has an international presence and a strategic position in Central and Eastern Europe; its business Model is geared to the individual markets through a local approach while taking advantage of the synergies and economies of scale of a global group.

In its capacity as Parent Company, the Bank is responsible for maximizing the overall long-term value of the Group, ensuring unitary governance, strategic control and guidance and the efficient delivery of services to the entire Group.

In particular, the Parent Company is currently organized as follows:

- The Chief Executive Officer (CEO) has a direct supervision on the definition of Group Strategy, Risks, Compliance, Human Resources, on the optimization of structure costs and on the main operating activities.
- The Chief Operating Office has the oversight of the operational machine with a specific focus on Costs, Finance and on IT & Operations.
- The General Manager is responsible for all the business activities (Retail, Corporate, Global CIB, Asset Management, Asset Gathering and relevant Countries)
- The Corporate Investment Banking Division is responsible for the multinational customers ("Multinational"), for selected "Large corporate" clients, for the Financial and Institutional Groups (FIG) customers and for the Global Lines "Global Transaction Banking (GTB)", "Global Financing & Advisory (F&A)", "Markets", and for internationalization activities.
- The CEE Division coordinates the Group's activities in the countries of Central and Eastern Europe, aligning them to a single comprehensive business vision in the area;
- The Italian perimeter (Italy) covers the activities of the business of the “commercial banking” (Family, First, Business First, Corporate, Private Banking and Ultra High Net Worth Individuals).

UniCredit S.p.A. has adopted the so-called traditional management and control system, based on two bodies appointed by the shareholders' meeting: the Board of Directors, that has exclusive responsibility for the strategic supervision and management of the company, and the Board of Statutory Auditors, for control over

the company management. The statutory audit of the accounts is entrusted to external auditors, pursuant to the applicable current legislation.

3.1.2 The Bank's institutional structure: Governing bodies

At the top of the Governing bodies in charge of UniCredit S.p.A. governance, is the **Board of Directors**, which is vested with all the necessary powers for the Bank management, except for those matters which, pursuant to law and the Articles of Association, are under the exclusive responsibility of the Shareholders' Meeting. The Board of Directors of the Bank has to exercise its full powers of administration in accordance with the provisions, duties and authorities established by the legislative and regulatory provisions in force, the Articles of Association and the general rules laid down in the Code of Conduct issued by Borsa Italiana S.p.A.. The implementation of the Board's resolutions is overseen by the Chief Executive Officer, appointed by Board of Directors, through the Head Office.

To ensure that the Board of Directors receives the necessary pieces of information and advice to assess the matters under its competence, four **committees** have been created and given the power to advise the Board and propose matters to it: the Related-Parties and Equity Investments Committee, the Internal Controls & Risks Committee, the Corporate Governance, Nomination and Sustainability Committee and the Remuneration Committee.

As part of the Bank's governance, the Shareholders' Meeting, based on the mechanism of the list vote, appoints the **Board of Statutory Auditors** composed of five Standing Auditors, from among whom it also elects the Chairman, and two Alternate Auditors. Both the Standing and the Alternate Auditors can be re-elected.

The functioning and jurisdiction of the Board of Directors, the Board Committees and the Board of Statutory Auditors are defined in the UniCredit Corporate Bodies Regulations.

Finally, the Board of Directors of the Bank has set up a **Supervisory Body** pursuant to Italian Legislative Decree no. 231/01, in relation to which reference is made to Chapter 4 of this Model.

3.1.2 Governance tools

UniCredit S.p.A.'s corporate governance, intended as the system of rules and procedures on which the corporate bodies base their line of conduct and to which they refer when fulfilling the various responsibilities they have towards their stakeholders, has been drawn up bearing in mind the regulations in force and the recommendations contained in the Self-Imposed Code of Conduct for Listed Companies. UniCredit S.p.A. is subject to the provisions laid down by the Bank of Italy in its Supervisory Instructions.

The Bank has developed a series of governance tools that are subject to continuous control and collation with developments in the regulatory context, in operating practices and the markets, that include, in addition to the Articles of Association, the Shareholders' Meeting Regulations, the UniCredit Corporate Bodies Regulations, an organized and coherent system of Group rules structured on the basis of the types of sources described below:

- *Group Managerial Golden Rules (GMGR)*: guidelines defining clear governance principles within the Group and outlining its organizational model, establishing the key processes' managerial/functional responsibility between UniCredit S.p.A. and the Group Entities.
- *Governance Guidelines*: which govern the overall Model and macro processes for the Group strategic governance, establishing: the general principles/criteria for the governance of one or more areas of activity, and the responsibilities of UniCredit S.p.A. and the Group Companies and the respective procedures for interaction, with specific reference to formal decision-making processes, and for the functional and managerial coordination within the system defined by the "Group Managerial Golden Rules";
- *Policies*: these provide a more precise view of the duties and responsibilities of UniCredit S.p.A. and the Group Companies by making reference to the principles contained in the corresponding "Governance Guidelines", if any, and establishing basic criteria and rules (also concerning the methods to be used) to regulate specific issues, so as to provide guidelines for the related activities;
- *Process Regulations/Technical Instructions*:
 - *Process Regulations*: these are a detailed description of the operating aspects and processes required to carry out a specific activity or implement the provisions and macro processes defined in the relevant "Governance Guidelines" and "Policies", if any;

- *Technical Instructions*: these provide instructions on procedures, instruments and methods or operating aspects required to carry out a specific activity or implement the provisions and macro processes defined in the relevant “Governance Guidelines” and “Policies”, if any;
- *Service contracts between UniCredit S.p.A. and the Group companies*: which formally govern the provision of intercompany services, ensuring transparency with regard to the subjects of the services provided and the related compensations.

In order to strengthen its corporate governance and related control system, UniCredit Group S.p.A. and, in turn, the Bank, has for many years implemented permanent control systems devoted to specific regulatory areas, also in compliance with applicable laws and regulations. Specifically, both at Group and company level, *ad hoc* organizational entities/internal persons have been given specific responsibility in order to safeguard areas of significant risk, and respond to regulatory requirements according to the circumstances. For example and without limitation, the Bank has established an internal organizational entity responsible for anti-money laundering, an organizational entity responsible for anti-corruption activities, the Delegated Manager pursuant to Law 262/2005, the control system for occupational health and safety, the environmental management system. These “*ad-hoc* control structures” focusing on specific regulatory areas, which are also relevant for the purpose of administrative liability pursuant to Italian Legislative Decree no. 231/01, enable the Bank to further strengthen its risk governance and control system, also with a view to mitigate the identified risks of offences under Italian Legislative Decree 231/01.

3.2 The Internal Controls System

The Bank has set up its own Internal Controls System in accordance with the laws and regulations in force and has placed such system at the centre of its overall governance system. Indeed, the Internal Controls System of UniCredit S.p.A. is made up of a series of organizational rules, procedures and organizational structures, which aim at achieving the following objectives:

- to ensure compliance with the company’s strategies;
- to ensure the effectiveness and efficiency of corporate processes;
- to preserve the value of assets;
- to guarantee the reliability and integrity of accounting and management information;
- to ensure that operations comply with the whole body of current legislation.

Pursuant to the applicable current legislation, the Bank’s Internal Controls System is based on the implementation of:

- level one controls (the so called “line controls”) which are directly put in place by the Bank’s organizational structures to ensure that operations are properly carried out;
- level two controls, i.e. controls on risk management and regulatory compliance, the responsibility for which is assigned to non-operational organizational entities, and, specifically, to the function Risk Management and Compliance for their respective areas of responsibility;
- level three controls, or internal audit controls, under the Audit function’s responsibility.

3.3 Delegated authority and responsibilities

In order to ensure the proper and orderly management of the Bank, the Board of Directors has put in place a structured system of delegations of authority and responsibilities to the Chief Executive Officer and the General Manager.

In particular, the Board of Directors has delegated the powers and responsibilities relating to execution of all the operations the Bank may perform pursuant to art. 4, paragraph 1 of the Articles of Association.

Where expressly provided, the Chief Executive Officer may sub-delegate its powers and responsibilities, pursuant to art. 27, paragraph 3 of the Articles of Association. In this case disclosure of the sub-delegation to the Board is mandatory.

The delegated authority is exercised pursuant to and in accordance with the Group’s governance as applicable to the specific delegated matters.

In general, in compliance with applicable laws and/or regulations, the delegated bodies have to inform the Board on the activities carried out in the exercise of their delegated powers.

The Bank has also defined an expenditure authorization and management process in order to ensure compliance with the principles of transparency, verifiability, relevance with respect to the bank business and consistency between the power to authorize expenses and organizational and managerial responsibilities.

3.4 The Integrity Charter, the Code of Conduct and the Code of Ethics pursuant to Italian Legislative Decree 231/01

The Bank and the Group acknowledge and promote the highest standards of conduct; as a consequence, in the following documents they have set the principles with which all employees must comply in the performance of their work:

- Integrity Charter: this states the ethical and deontological principles that the Group recognizes as its own and expects to be observed by all those who work to achieve the objectives of the Bank and of the Group;
- Code of Conduct: this Code defines the principles of general conduct and applies to the whole Group. This set of rules of conduct for key aspects of moral integrity strives to promote a Compliance culture and to guide actions directed at promoting the Bank's ethical commitment;
- Code of Ethics pursuant to Italian Legislative Decree 231/01: it contains the rules with which all employees have to comply in order to ensure that their conduct is always guided by criteria of fairness, collaboration, loyalty, transparency and mutual respect, as well as to avoid conducts that could constitute the offences and crimes set forth in Italian Legislative Decree 231/01.

3.5 Decision Protocols and “sensitive” processes pursuant to Italian Legislative Decree 231/01

Taking also into account ABI guidelines and on the basis of the analysis of the company's activity, the “sensitive” processes pursuant to Italian Legislative Decree 231/01 have been identified, as well as the risks of offence potentially associated with each at-risk activity and possible illegal conducts.

On the basis of the whole body of internal rules and regulations, that lays groundwork for the internal control system, and through employee interviews, principles of conduct and control are set forth aimed at preventing the commission of predicate offences previously identified.

The Decision Protocols, Special Section of the Model, are the result of the above mentioned analysis, bearing in mind the specific characteristics of each sector of activity of the Bank and include the following “sensitive” areas:

- business relationships with Public Entities
- subsidized loans and soft loans
- public guarantees and funding from Public Entities
- education and training
- business relations with private entities
- strategic planning and proprietary portfolio
- external communications and relations
- cash management
- contributions to the mandatory financial reporting
- preparation of the mandatory financial reporting and tax management
- capital management, shareholding and extraordinary corporate transactions
- relations with Regulatory Authorities
- relations with the Board of Statutory Auditors
- purchases of goods and services
- real estate management
- management of cultural heritage
- gifts and entertainment
- human resources recruitment and management
- advertising and promotional activities, brands and trademark
- sponsorships and donations
- litigation management
- IT
- credit management
- corporate affairs
- health and safety
- event management

CHAPTER 4 SUPERVISORY BODY

4.1 Structure and composition of the Supervisory Body

Italian Legislative Decree 231/01 prescribes the establishment of an internal Supervisory Body (hereinafter also SB) with independent powers of initiative and control whose duty is to supervise the functioning of and compliance with the Organization and Management Model and to ensure its updating.

The existence of such a SB is one of the required elements for the suitability of the Model itself.

The SB of UniCredit S.p.A. is made up of 5 members, including three external members and two executives in "apical" positions with guidance, support and control functions.

The Chairmanship of the SB is assigned to one of the three external members, to be selected among professionals with proved experience in legal, economic, financial or technical-scientific matters or in any case among people with adequate expertise deriving for instance from having held positions in the banking sector for a certain amount of time and/or from having an in depth knowledge of the business management and the main processes..

The presence of three external members is justified by the need to guarantee the SB's effective independence from company hierarchy.

The SB is set up by resolution of the Board of Directors which, at the time of appointment, shall acknowledge that the required independence, autonomy, integrity and professionalism of its members as set forth in paragraph 4.1.1 below have been ascertained.

The SB's term of office coincides with that of the Board of Directors that appointed it, and its members may be re-elected.

The members of the SB are entitled to exercise waiver at any time and must provide written notice to the Board of Directors of their intention and the reasons behind it.

4.1.1 Requirements

Subjective requisites of eligibility

Appointment as member of the SB is subject to the presence of subjective requirements of eligibility.

The following circumstances are cause for ineligibility and/or loss of office of the members of the SB of UniCredit S.p.A.:

- being in a state of temporary disqualification or suspension from management offices of legal entities and enterprises;
- being affected by one of the conditions of ineligibility or loss of office prescribed by Article 2382 of the Italian Civil Code;
- being direct or indirect holder of equity investments of a size that allows exercise of considerable influence over UniCredit S.p.A. or over its subsidiaries;
- having been subject to preventive measures pursuant to Italian Legislative Decree no.159 dated September 6, 2011 including any subsequent amendments and additions, without prejudice to the effects of rehabilitation;
- having been convicted or party to plea bargaining, even if not final, and even if with conditionally suspended sentence, without prejudice to the effects of rehabilitation:
 - for one of the crimes prescribed by Italian Royal Decree no. 267 dated March 16, 1942, (bankruptcy law);
 - for one of the crimes prescribed by Section XI of Volume V of the Italian Civil Code (companies and consortia);
 - for a crime committed with criminal intent, for a period of no less than one year;
 - for a crime against the Public Administration, public faith, assets, public economy, or a tax-related crime;
 - for one of the offences prescribed by the rules governing banking, financial, securities, insurance activity and by the rules governing markets, securities and payment instruments.
- having been convicted or party to plea bargaining, in Italy or abroad, even if not final, and even if with conditionally suspended sentence, without prejudice to the effects of rehabilitation, for breaches that are of relevance for the purposes of corporate administrative liability pursuant to Italian Legislative Decree 231/01;
- being the addressee of a decree ordering a court summons for all the offences/crimes envisaged by Italian Legislative Decree 231/01;

- having performed executive administration functions, in the three years prior to appointment as member of the Supervisory Body, in enterprises:
 - subject to bankruptcy, compulsory wind-up or equivalent procedures;
 - carrying on business in the lending, financial, securities and insurance sector subject to extraordinary administration procedures.

Autonomy and independence

The SB's autonomy and independence is guaranteed by:

- its position of independence from any function within the company's organizational structure;
- compliance of the SB's members with the independence, integrity and professionalism requirements;
- the reporting lines towards the company's senior management attributed to the SB;
- the indisputability of the activities implemented by the SB by any other corporate body or organizational entity;
- its autonomy in establishing its rules for functioning through adoption of its own Regulations.

The SB has autonomous expenditure powers based on an annual budget approved by the Board of Directors, upon the SB's proposal. In any case, the SB may request integration of the assigned budget, if it proves insufficient to the effective performance of its duties, and may extend its expenditure autonomy on its own initiative if so required by exceptional or urgent circumstances, which will then be reported to the Board of Directors.

During controls and inspections, the SB and the organizational entity employed for such purpose are granted the widest powers to enable them to effectively perform their assigned duties.

In exercising their functions the members of the SB must not find themselves in situations of even potential conflict of interest with UniCredit S.p.A. and with its subsidiaries arising from whatsoever reason (for example personal or family-related).

In such circumstances they are obliged to immediately inform the other SB members and must abstain from participating in the related decisions.

Professionalism

The members of the SB must possess adequate technical and legal know-how and sufficient corporate experience to be able to effectively perform the SB's activities.

Specifically the members of the SB must possess considerable corporate experience gained either within UniCredit S.p.A. or in companies with similar characteristics in terms of activity performed, and must also hold "apical" management positions.

If necessary, with regard to execution of the technical operations required for performance of the control function, the SB may avail of external consultants. In this case, the consultants must always report the outcome of their activities to the SB.

Continuity of action

The SB must be able to guarantee the necessary continuity in exercise of its functions, by programming its activities and controls, drawing up minutes of its meetings and regulating information flows from the corporate organizational structures.

4.1.2 Revocation

The members of the SB may be revoked by the Board of Directors only for just cause. The revocation resolution will be brought to the attention and submitted to the prior consent of the Board of Statutory Auditors.

In this regard, "just cause" for revocation means, by way of example but not limited to:

- serious negligence in performance of the duties associated with the assignment;
- "omitted or insufficient supervision" by the SB – in accordance with the provisions of Article 6, paragraph 1 d) of Italian Legislative Decree 231/01 – resulting from a conviction, even if it has not become *res judicata*, issued against UniCredit S.p.A., pursuant to Italian Legislative Decree 231/01 or from plea bargain judgment;
- if, following appointment, it is discovered that they held the office of SB member of a company against which, pursuant to final order (including the judgment issued pursuant to Article 63 of Italian Legislative Decree 231/01), the sanctions established by Article 9 of the aforesaid Italian Legislative Decree 231/01 have been applied for crimes committed during their office;

- assignment of operating functions and responsibilities within the corporate organization incompatible with the requisites of “autonomy and independence” and “continuity of action” that must characterize the SB. In any case, any order of disposition - having an organizational nature - that concerns an SB member (e.g. termination of the employment relationship, relocation to another position, dismissal, disciplinary orders, appointment of a new head) must be brought to the Board of Directors’ attention by the Chairman of the SB;
- serious and ascertained reasons of incompatibility that thwart independence and autonomy;
- unjustified absence at two or more consecutive meetings of the SB, following normal convening.

4.1.3 Causes for suspension

If, after appointment it is discovered that the members of the SB held the position of member of the Supervisory Body in a company against which the sanctions prescribed by Article 9 of the Decree were applied, with non final order (including the judgment issued pursuant to Article 63 of the Decree), for crimes committed during their term of office, this will constitute cause for suspension.

The members of the SB must inform the BoD, under their own full responsibility, if the aforesaid cause for suspension arises. In this case and in all the further cases in which it becomes directly aware of occurrence of the aforesaid cause, the BoD will declare the suspension of the person (or persons) from the office of member of the SB.

The decision on possible revocation of suspended members must be subject to BoD resolution.

A member who is not revoked will resume his functions in full.

4.1.4 Temporary impediment

In the event of circumstances that temporarily prevent a member of the SB from performing his/her functions or from performing them with the necessary autonomy and independent judgment, such member is obliged to disclose the impediment and, if this is due to a potential conflict of interests, the cause from which it arises; such member shall abstain from participating in the SB meetings or in the specific resolution to which the conflict refers, for as long as the aforesaid impediment lasts or until it is removed.

By way of example, illness or injury that extends for more than three months and prevents participation in the meetings of the SB constitutes cause for temporary impediment.

In the event of temporary impediment or of any other circumstance that prevents one or more members from participating in the meeting, the Body will operate with limited numbers, provided that the remaining members (who are unaffected by the aforesaid circumstances) are no less than three, if one of them is the Chairman. In absence of the Chairman, the minimum number of members should be four.

In any other case, the BoD, during the first available meeting, will order temporary integration of the Supervisory Body, appointing one or more members, whose office will last as long as the period of impediment.

If the impediment extends for a period of more than six months, and may extend for a further 6, the BoD is entitled to revoke the member/s for whom the aforesaid causes for impediment have arisen.

4.2 Definition of duties and powers of the Supervisory Body

The control and inspection activity performed by the SB is strictly functional to the objectives of effective implementation of the Model and does not replace or substitute the institutional control functions of the Bank.

The SB’s duties are expressly defined by Italian Legislative Decree 231/01 in Article 6, paragraph 1 b) as follows:

- supervise the functioning and the compliance of the Model;
- provide for its update.

In order to fulfil these duties, the SB is entrusted with the following activities:

- supervise the functioning of the Model with regard to prevention of commission of the offences envisaged by Italian Legislative Decree 231/01;
- verify compliance with the Model and the decision protocols and report any anomalous behaviour that may emerge from the analysis of the information flows and from the reports that the addressees of the Model are obliged to provide;
- carry out inspection and control activities on a regular basis and each time it is held necessary, in consideration of the various sectors of intervention or the nature of the activities performed and their critical points, in order to verify the Model’s effectiveness and efficiency.

In performing this activity, the SB may:

- freely access any UniCredit S.p.A. organizational structures including through the specifically appointed organizational structures – without the need for prior consent – to request and obtain information, documentation and data which are deemed necessary to perform its duties. In case it receives a motivated refusal to access to documents with which it does not agree, the SB will draw up a report to transmit to the BoD;
- request relevant information or exhibition of documents, including IT documents, pertaining to the at-risk activities, from the directors, control bodies, external auditors, collaborators, consultants and in general all those who operate on behalf of UniCredit S.p.A.;
- develop and promote constant update of the Model, including identification, mapping and classification of the at-risk activities submitting, where necessary, to the BoD proposals for any updates and adjustments that may be considered necessary as a result of
 - significant breaches of the provisions of the Model;
 - significant amendments to the internal structure of UniCredit S.p.A. and/or the procedures for carrying on business;
 - legislative amendments to Italian Legislative Decree 231/01, such as the introduction of the new offences that may have a potential impact on the Bank's Model;
- define and follow the information flow that allows the SB to receive periodic update from structures' representatives in order to identify possible weakness in the functioning of the Model and/or possible breaches thereof;
- set up an efficient information flow that allows the SB to report to the competent corporate offices on the effectiveness of and compliance with the Model;
- verify that an efficient internal communication system has been set up to allow transmission of relevant information under Italian Legislative Decree 231/01, guaranteeing the protection and confidentiality of the reporting party and promoting the awareness of the conducts that must be reported and the procedures for submitting reports;
- request and obtain information from the SBs of the subsidiaries, as provided by paragraph 4.5 below;
- promote initiatives to spread knowledge and understanding of the Model, the contents of Italian Legislative Decree 231/01, the impacts of legislation on the company's activity, as well as initiatives to train personnel and raise their awareness of compliance with the Model;
- promote and coordinate initiatives directed at facilitating knowledge and understanding of the Model by all those who operate on behalf of UniCredit S.p.A.;
- provide opinions on the meaning and application of the provisions contained in the Model, on correct application of the protocols and related procedures for implementation;
- draw up and submit to approval of the management body the estimate of expenditure required for correct performance of the assigned duties, with full independence;
- promptly report to the management body, so that it may take appropriate measures, the verified breaches of the Model that may lead to liability for UniCredit and propose any of the sanctions referred to in Chapter 5 of this Model;
- verify the suitability of the disciplinary system pursuant to and for the purposes of Italian Legislative Decree 231/01.

The SB carries out its activities through a dedicated organizational structure as defined in the internal rules and may use any other relevant organizational structure within the company for the activities and/or areas in question.

On assignment by the BoD, the SB makes sure that the corporate organizational structures are provided with adequate disclosure on the Model and the SB's duties and powers.

The SB members, as well as the persons of which the SB avails for any account, are bound to observe the confidentiality obligation with regard to all the information that they come to acquire in the performance of their functions. This obligation does not however exist towards the BoD.

The members of the SB ensure confidentiality of the information that they come to acquire, especially if it refers to reports that they may receive concerning alleged breaches of the Organization Model. The members of the SB abstain from receiving and using confidential information for purposes other than those included in this paragraph and, in any case, for purposes that do not comply with its functions of Supervisory Body, without prejudice to the case of express and conscious authorization.

All information held by the members of the SB must in any case be handled in compliance with the provisions of the applicable legislation in force and in particular in compliance with Italian Legislative Decree 196/2003 ("Personal Data Protection Code"), as subsequently amended.

All information, reports, accounts, statements prescribed in the Model are retained by the SB in a special archive (IT and/or paper).

4.3 Reporting by the Supervisory Body

In order to guarantee full autonomy and independence in the performance of its functions, the SB reports directly to the Bank's BoD and the Board of Statutory Auditors.

The SB reports to the BoD and to the Board of Statutory Auditors at least annually with regard to:

- outcome of the supervisory activity performed in the reference period with indication of any problem or critical areas found during the supervisory activity and with indication of the appropriate measures taken with regard to the Model;
- any changes in the regulatory framework and/or significant changes in the internal structure of UniCredit and/or in the procedures for performance of the activities that require an updating of the Model (this reporting will take place if the matter has not yet been submitted to the BoD outside the annual report);
- account of the reports received including direct findings on the alleged breaches of provisions of the Model, the protocols and the outcome of the consequent inspections performed;
- disciplinary measures and sanctions that may have been applied by UniCredit S.p.A., with regard to breaches of the provisions of the Model and the protocols;
- account of expenses incurred;
- activities scheduled but not performed due to justified time and resource related reasons;
- inspections scheduled for the following year.

The SB may request a hearing with the BoD at any time if facts of particular importance are ascertained or if it deems appropriate for the Board to examine or act upon issues pertaining to the functioning and effective implementation of the Model.

In order to guarantee a proper and effective information flow, the SB may seek clarification or information directly from the CEO for the purposes of full and proper exercise of its powers.

The SB may in turn be convened at any time by the BoD to report on particular events or situations relating to the functioning of and compliance with the Model.

4.4 Information flows to the Supervisory Body

4.4.1 Information flows

The information flows regard all information and documents that must be brought to the attention of the SB, in order to allow to increase its level of knowledge of the Bank, to acquire information suitable to evaluate the risk of certain "sensitive" processes, as well as to conduct its controls on the effectiveness and the observance of the Model.

The decision protocols, which form an integral part of the Model, establish disclosure obligations, to be met, in general, by the addressees of the Model with reference to "sensitive" processes and activities (for example changes of at risk activities, process anomalies, audit findings and other relevant Informations).

In addition to those disclosure obligations, further Information flows towards the SB have been established. The above mentioned Information flows are transmitted by some control functions and other Bank's organizational units in charge of performing important at risk activities in accordance with the Italian Legislative Decree. N. 231/01.

As an example, these Information flows includes:

- the documents provided by all control structures (i.e. Audit, Compliance) as part of their verification activities, which may reveal facts, acts, events or omissions with critical profiles not compliant with the provisions of Legislative Decree no. 231/2001 or the Model and decision protocols (for example with reference to the anti-money laundering issues, market abuse or activities of the Network structures)
- planning and the annual reports of the activities of the Audit and Compliance functions;
- annual report of the Head of AML;
- charges for failure in reporting suspicious transactions under the money laundering legislation;
- the external auditors' annual letter mentioning any anomalies detected in the editing of both the consolidated and single financial statements of UniCredit S.p.A. and the periodic results coming from the monitoring of corrective actions;
- the Report on the internal controls on the Financial Reporting (Law 262/2005);
- the information on the exercise of delegations and sub-delegations by the Bank's structures and update of the system of powers of attorney;

- visits, inspections and inquiries launched by the competent entities (for example: Local Health Units, INPS - Italian social pension agency and INAIL - disability social security agency) and the related final outcome;
- reports on the health and safety at work and the reports of incidents/accidents, including those caused by external factors (e.g. robbery), which resulted in serious or very serious injury to the employees and/or third parties;
- disciplinary procedures implemented for breaches of the Model and of the decision protocols, application of sanctions or orders to dismiss said procedures and pertinent motivations;
- orders and/or information from judicial police bodies or from any other authority, from which it is deduced that investigations are underway, even against unknown persons, for the offences envisaged by Italian Legislative Decree 231/2001 and that may involve UniCredit;
- legal disputes when the counterparty is an entity or public body (or equivalent body), and the related final outcome;
- adverse judgments for UniCredit employees due to the commission of crimes which are among the predicate offences envisaged by Italian Legislative Decree no. 231/01.

In the normal course of its duties and on the basis of risk-based considerations, the Bank's Supervisory Body reserves the right to require any information needed to perform its activities.

4.4.2 Reports of unlawful conduct and breaches of the Model - whistleblowing⁷

In addition to the information requirements described above the following events, of which the all addressees of the Model become directly or indirectly aware, must also be promptly reported to the SB:

- the commission, the alleged commission or the reasonable risk of commission of the crimes or offences provided for by Italian Legislative Decree no. 231/01;
- the breach or alleged breach of the Model or of the decision protocols and the serious irregularities in the functioning of the Models;
- any critical fact/behaviour/situation which might expose UniCredit S.p.A. to the penalties referred to in Italian Legislative Decree no. 231/01.

Reports of unlawful conduct or breaches of the Model must be substantiated and based on precise and consistent facts.

The obligation to inform of any conduct that is contrary to the provisions contained in the Model and the decision protocols falls within the wider duty of diligence and obligation of loyalty to be met by the worker. Proper fulfilment of the obligation to provide information on the part of the worker cannot give rise to application of disciplinary sanctions, except in the case in which the whistleblower carries out reports that prove to be unfounded with fraud or gross negligence.

The above mentioned reports may be submitted to the SB using one of the following methods settled by the Bank:

e-mail at the following confidential address: **UniCredit - Organismo di Vigilanza** (uiodv@unicredit.eu)

paper mail at the following address:

UniCredit S.p.A. - Organismo di Vigilanza 231/01
FAO the Secretary of the Supervisory Body
Piazza Gae Aulenti 3 – Torre A/Piano 5° - 20154 Milano

Alternatively, the report may be submitted to a superior who will then properly transmit it to the SB in accordance with the procedures mentioned above.

The SB will have its own Regulations to govern the handling of the reports received through the above-listed communication channels, defining specific criteria for assessment based on the nature of said reports. Anonymous reports can be taken into consideration only and exclusively if they contain specific references to the facts/conduct to which they refer, or if they prove to be described in sufficient detail and verifiable.

The SB assesses the received reports and, if it deems appropriate, may call the alleged perpetrator of the breach and also carry out all the inquiries and investigations that it deems necessary to verify the reported facts. The SB's decisions on the outcome of its inquiries must be motivated in writing.

⁷ Law 179/2017, art. 2 - "Protection of the employee or collaborator who reports unlawful conduct in the private sector", has introduced new provisions for the protection of those who report crimes or irregularities of which they have come to know in the context of a private employment relationship (Whistleblowing), modifying the art. 6 of Legislative Decree 231/01.

The reporting parties are guaranteed against any form of retaliation, discrimination and penalization and in any case the confidentiality of their identity is ensured, without prejudice to any legal obligations.

Article. 6 of Legislative Decree 231/01 establishes the prohibition of acts of retaliation or discriminatory, direct or indirect, against the reporting agent for reasons connected directly or indirectly to the report. The adoption of discriminatory measures against the persons making the above mentioned reports can be reported to the National Labor Inspectorate (Ispettorato nazionale del lavoro), for the measures within its competence, by the reporting agent as well as by the trade union organization indicated by the same. The law also establishes the invalidity of the retaliation or discriminatory dismissal of the reporting party and of the change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliation or discriminatory measure taken against the reporting party. Finally, sanctions are laid down against those who violate the whistleblower's protection measures (see Chapter 5 - Disciplinary System - Section 5.2.3.).

The UniCredit Group, in promoting a corporate culture characterized by correct behavior and a good corporate governance system, also provides its staff with additional channels of communication for the reception, analysis and treatment of reports of unlawful conduct (Whistleblowing Policy), which also allow the possibility of reporting anonymously.

e-mail at the following confidential address:

UniCredit – Italia – Whistleblowing (UIWHISTBLO-Italia@unicredit.eu)

paper mail at the following address::

UniCredit S.p.A. - Head of Anti Bribery & Corruption and Whistleblowing
Piazza Gae Aulenti 1 – Torre B/Piano 5° - 20154 Milano

Access to the SpeakUp tool which also allows the possibility of reporting anonymously.

- through phone line, leaving a message on the voicemail
- through a web site, leaving e text message and attaching files

If the reports received through these last channels concern unlawful conduct and breaches of the Model, the SB will be promptly informed.

4.5 Information to and from UniCredit S.p.A.'s Supervisory Body and the subsidiaries' Supervisory Bodies

Each subsidiary, provided with an Organization and Management Model pursuant to Italian Legislative Decree 231/01, sets up its own autonomous and independent SB.

The Bank's SB may request information from the subsidiaries' SBs, if it is required for the purposes of performance of the Holding Company's control activities.

The subsidiaries' SBs are obliged to comply with the requests formulated by the Bank's SB.

The subsidiaries' SBs submit an annual report to their own BoD, which forwards a copy to UniCredit S.p.A.'s SB, mentioning any critical situations.

Any corrective measures made to the subsidiaries' organization models will be the exclusive responsibility of said subsidiaries.

CHAPTER 5 THE DISCIPLINARY SYSTEM

5.1 General principles

Article 6 paragraph 2 e) of Italian Legislative Decree 231/01 specifies that, in order for the Model to be considered efficient and adequate, the entity has to “*introduce a disciplinary system that punishes failure to comply with the measures laid down in the Model*”.

Application of the disciplinary system and related sanctions is not dependent on the development and outcome of criminal proceedings that the judicial authorities may have commenced if the conduct to be censured has also constituted an offence that is relevant for the purposes of Italian Legislative Decree 231/01.

The concept of a disciplinary system shows that the Bank must graduate the applicable sanctions, in relation to the differing degree of danger the conduct may lead with reference to the perpetration of the offences.

Accordingly, the company has created a disciplinary system that firstly punishes all breaches of the Model, from the least to the most serious, using a system of *graded* sanctions and, secondly, follows a principle of *proportionality* between the breach found and the sanction imposed.

Regardless of the nature of the disciplinary system required by Italian Legislative Decree 231/01, its underlying principle remains the disciplinary power held by the employer, pursuant to Article 2106 of the Italian Civil Code, with regard to all categories of workers and exercised independently of the provisions of collective agreements.

With regard to verification of breaches, the disciplinary procedures and imposition of sanctions are the responsibility of Human Resources. It is necessary for the SB to be involved in the inquiry into breaches and in imposition of sanctions for breaches of the Model, as a disciplinary measure cannot be filed or a disciplinary sanction imposed for breach of the Model without prior notice to and opinion of the SB.

UniCredit S.p.A. is still entitled to lay claim for any damage and/or liability that it may incur as a result of employees' conduct in breach of the Model.

5.2 Sanctions

Failure to observe and conduct implemented by employees in breach of the rules set forth in this Model will lead to the imposition of disciplinary sanctions which are applied according to the proportionality criterion provided by Article 2106 of the Italian Civil Code, taking into account, in each case, the seriousness of the circumstance constituting the breach, the degree of fault, possible repetition of the same conduct, as well as the intentional nature of the conduct.

The disciplinary system identifies the breaches of the principles, conduct and specific elements of control contained in the Model and, in accordance with the provisions of the law and/or National Labour Agreement (CCNL - *Contratto Collettivo Nazionale di Lavoro*), identifies the sanctions provided for subordinate employees as set forth below.

With specific reference to the personnel employed by the Bank's foreign branches and employed with an employment contract that is governed by the law of the relevant foreign country, the system of sanctions is established by the laws and the contractual provisions regulating the specific employment contract shall apply.

The disciplinary system is binding for all employees and, pursuant to Article 7, paragraph 1, of Italian Law 300/1970, must be made available “through posting in a place accessible to all”.

5.2.1 Sanctions applicable to the Professional Areas and to the Management

Failure to comply with the Model will lead to imposition of the following sanctions:

a) Verbal reprimand:

- minor non-compliance with the internal procedures set forth in the Model or negligent conduct that is not compliant with provisions of the Model;
- tolerance of or failure to report, on the part of those in charge, minor irregularities committed by other members of staff.

b) Written reprimand:

- misdemeanours which, though punishable by verbal reprimand, assume greater importance due to specific consequences or because they have been repeated (repeated breaches of the internal

procedures defined by the Model or repetition of conduct that does not conform to the provisions of the Model);

- failure to report or tolerance of, on the part of those in charge, non-serious irregularities committed by other members of staff;
- repeated failure to report or tolerance of, on the part of those in charge, minor irregularities committed by other members of staff.

c) Suspension from service and pay for a period not exceeding ten days:

- non-compliance with the internal procedures set forth in the Model or negligence regarding the provisions of the Model;
- failure to report or tolerance of serious irregularities committed by other members of staff such as to expose the company to danger or to give rise to negative consequences for the company.

d) Dismissal on justified grounds:

- breach of the provisions of the Model through conduct that constitutes a potential criminal offence punishable under the terms of Italian Legislative Decree 231/01.

e) Dismissal for just cause:

- conduct in patent breach of the provisions of the Model, rendering UniCredit S.p.A. liable to application of the sanctions set forth in Italian Legislative Decree 231/01, and referring to misdemeanours of such gravity as to undermine the trust on which a working relationship is based and to exclude all possibility of continuing the working relationship, even on a temporary basis.

5.2.2 Sanctions applicable to Directors

Failure to comply with the provisions of the Model will lead to imposition of the following sanctions, in proportion to the seriousness of the breach:

a) Verbal reprimand:

- minor non-compliance with the internal procedures set forth in the Model or negligent conduct that is not compliant with the provisions of the Model;
- tolerance of or failure to report minor irregularities committed by other members of staff.

b) Written reprimand:

- misdemeanours which, though punishable by verbal reprimand, assume greater importance due to specific consequences or because they have been repeated (repeated breaches of the internal procedures defined by the Model or repetition of conduct that does not conform to the provisions of the Model);
- failure to report or tolerance, on the part of those in charge, of irregularities committed by other members of staff;
- repeated failure to report or tolerance of, on the part of those in charge, minor irregularities committed by other members of staff.

c) Dismissal pursuant to Article 2118 of the Italian Civil Code:

- non-compliance with the internal procedures set forth in the Model or negligence regarding the provisions of the Model;
- failure to report or tolerance of serious irregularities committed by other members of staff;
- breach of the provisions of the Model through conduct that constitutes a potential criminal offence punishable under the terms of Italian Legislative Decree 231/01, of such gravity as to expose the company to danger or to give rise to negative consequences for the company, thus representing considerable default of the obligations by which a worker is bound in execution of the employment relationship.

d) Dismissal for just cause:

- adoption of a conduct in patent breach of the provisions of the Model, rendering UniCredit S.p.A. liable to possible actual application of the sanctions set forth in Italian Legislative Decree 231/01, and referring to misdemeanours of such gravity as to undermine the trust on which a working relationship is based and to exclude all possibility of continuing the working relationship, even on a temporary basis.

5.2.3 Sanctions applicable for breaches of Whistleblowing related provisions

In compliance with the provisions of Article. 6, paragraph 2 bis, letter d) of Legislative Decree 231/01, the sanctions indicated in the previous par. 5.2.1. and 5.2.2. will be applied, in proportion to seriousness of the breach for breaches of the whistleblower's protection measures, as well as against those who carry out, with malice or gross negligence, reports that prove to be groundless.

5.3 Measures against Corporate Offices

In the event of breach of the Model by one or more Directors and/or Statutory Auditors of UniCredit S.p.A., the SB informs the Board of Directors, the Board of Statutory Auditors and the Internal Controls and Risk Committee, which, in accordance with their respective authorities, will proceed to take the initiatives that prove most appropriate and suited to the seriousness of the breach and in compliance with the powers provided by the law and/or by the corporate by-laws, such as:

- declarations in the minutes of meetings;
- formal warning;
- curtailment of emoluments or fees;
- revocation of office;
- request for convening or convening of the shareholders' meeting, placing on the agenda suitable measures against the persons responsible for the breach.

5.4 Rules applicable to relations with third parties

5.4.1 Intercompany relations

The provision of services, performed by UniCredit S.p.A. in favour of Group companies, and the provision of services, performed by Group companies in favour of UniCredit S.p.A., that may feature risks of perpetration of offences that are relevant for the purposes of corporate liability pursuant to Italian Legislative Decree 231/01, must be governed by a previously signed contract.

Specifically, the service provision contract referred to above, must provide:

- roles, responsibilities and possible timeframes, concerning the activity in question;
- obligation for the company benefiting from the service to certify the veracity and completeness of the documentation or of the information disclosed to the company providing the service;
- obligation for the company providing the service to set up measures suitable to prevent the risk of perpetration of offences that are relevant for the purposes of corporate liability pursuant to Italian Legislative Decree 231/01 that could be attributed to the Bank;
- provide reports certifying execution of controls including those for the purpose of Italian Legislative Decree 231/01;
- sanctions (e.g. letter of objection, reduction of remuneration up to termination of the contract) in the event of failure to comply with the obligations assumed in the contract or in the case of reports concerning breaches of Italian Legislative Decree 231/01 as well as, more in general, conduct contrary to the principles set forth in the Model;
- criteria on the basis of which, by way of refund, the direct and indirect costs and the charges incurred for performance of the services are attributed.

Each breach of the provisions set forth above must be communicated, through concise written report sent to the SB of the company benefiting from the service by the person discovering the breach (for example, the Head of the Structure of the contracting company to which the contract or the relationship refers, the Audit, etc.).

5.4.2 Relations with non-Group third parties

UniCredit S.p.A. also receives services from non-Group third parties, which enter into contractually regulated collaboration relationships with UniCredit S.p.A. (e.g. consultants, various types of collaborators, suppliers). Disclosure of the Model and the Code of Ethics pursuant to Italian Legislative Decree 231/01 of UniCredit S.p.A. must also be made to third parties who operate in areas of activity which are deemed sensitive pursuant to Italian Legislative Decree 231/01.

The organizational structure drawing up the contract (Legal), assisted, if necessary, by Compliance, will be responsible for identifying the types of contract within which to include clauses related to the corporate liability pursuant to Italian Legislative Decree 231/01.

Commercial partners, consultants and external collaborators, however they may be named, or other parties having contractual relations with UniCredit, whose contracts provide for the above mentioned clauses, must

comply with the provisions provided by the Model and the Code of Ethics. Breach of those rules, likewise any perpetration, within the scope of relations with UniCredit S.p.A., of the offences envisaged by Italian Legislative Decree 231/01 will entitle the latter to withdraw from the contract, for just cause or to consider it terminated, suspending its execution, without prejudice to the third party's duty to compensate damages, as provided in the specific contractual clauses.

Each breach of the aforesaid provisions must be communicated, through concise written report, to the SB of UniCredit, by the person who discovered the breach.

5.5 Procedure for application of sanctions

The procedure for imposition of sanctions following breach of the Model and the control protocols differ with regard to each category of addressees as well as to the phase of:

- charge of the breach to the party concerned;
- determination and subsequent imposition of the sanction.

The SB is required to take action and carry out the investigations and controls falling within its responsibilities, in all cases in which, during its supervision and inspection activity, it receives a report or acquires suitable elements that suggest danger of a breach of the Model.

Once the inspection and control activity has been completed, on the basis of the elements in its possession, the SB assesses whether the conditions required for activation of a disciplinary procedure are present, ensuring the following are informed:

- the Head of Human Resources, in the case of disciplinary procedure against directors and employees;
- the Head of the organizational structure which manages the contractual relationship in order to allow the measures provided by the contractual clauses indicated in paragraphs 5.4.1 and 5.4.2 to be taken;
- the Board of Directors, the Board of Statutory Auditors and the Internal Controls and Risk Committee, in the case of disciplinary procedure against members of the corporate offices.

CHAPTER 6 INFORMATION AND STAFF TRAINING

6.1 Dissemination of the Model

The Model must be communicated in a way that maximizes exposure so that the addressees of the communication campaign are aware of the procedures that must be followed to ensure proper fulfilment of their duties.

As the ABI guidelines state, information must be complete, promptly delivered, accurate, accessible and continuous.

It is UniCredit S.p.A.'s intention to communicate the contents and principles of the Model also to persons who, although they do not hold a formal position as employee, operate, even on an occasional basis, in pursuit of the objectives of UniCredit, pursuant to contractual relationships.

For this purpose direct access has been established from the company intranet to a specially dedicated section in which all the reference documentation concerning Italian Legislative Decree 231/01 is available and constantly updated.

The communication and training activity is supervised by the SB, through the competent organizational structures, which are assigned the task of promoting initiatives for spreading awareness and understanding of the Model, the contents of Italian Legislative Decree 231/01, the impacts of regulations on UniCredit activity as well as training personnel and raising their awareness of compliance with the principles contained in the Model and promoting and coordinating the initiatives aimed at facilitating knowledge and understanding of the Model on the part of all those who operate on behalf of UniCredit S.p.A..

6.2 Staff training

The personnel training activity is directed at promoting knowledge of the regulations contained in Italian Legislative Decree 231/01. This knowledge means providing a thorough view of the regulations, of the practical implications involved, as well as of the contents and principles underpinning the Model and the Code of Ethics pursuant to Italian Legislative Decree 231/01.

All employees are therefore obliged to know, observe and comply with said contents and principles and to contribute to their implementation.

To guarantee effective knowledge of the Model and of the procedures that have to be followed to ensure correct performance of personal duties, specific mandatory training activities have been designed, directed at the personnel of UniCredit S.p.A., and to be delivered through different procedures:

- an on-line course addressed to all the personnel;
- any additional training (classroom or online) on the basis of specific training needs that may arise: the objectives, target recipients within the company and mode of delivery of these courses are defined by the SB from time to time in collaboration with the relevant corporate functions and may include, by way of example and without limitation, training aimed at individuals responsible for specific at-risk activities regulated by internal decision protocols, in-depth courses on certain types of 231 predicate offences, etc..

The function HR and other competent organizational structures will ensure the execution of the scheduled initiatives, in the classroom and on-line, subsequent monitoring and any follow-up actions.

As further support to the training activity, it is recommended that staff consult the aforesaid specific section dedicated to Italian Legislative Decree 231/01, accessible through the company intranet, containing all the reference documentation.

If further clarification or details should prove necessary, staff should apply to the Head of the Organizational structure to which they belong and, if necessary, to the corporate functions that are competent on the matter.

CHAPTER 7 UPDATE OF THE MODEL

The law expressly attributes responsibility for the adoption and efficient implementation of the Model to the Board of Directors. The Model adequacy is ensured by its ongoing updating (intended as both additions and/or amendments) of its constituting parts.

For example, updating of the Model may be necessary in the following circumstances:

- updating or modification of the list of predicate offences;
- changes in laws and regulations and in case law
- changes in the organizational structure and business areas.

Authority for updating the Model rests with:

- the Board of Directors, for substantial changes, such as updating or amendment of sensitive areas due to regulatory developments, (e.g., new predicate offences introduced in the decree) or Business changes (e.g., introduction of new business areas), the approval and modification of the Code of Ethics and the Decision Protocols drawn up pursuant to Italian Legislative Decree 231/01, the appointment/removal of the Supervisory Body.
- The CEO, delegated for the purpose by the Board of Directors, or his/her sub-delegates, for non-substantial amendments to the Model and Protocols, namely those due to amendments or update of the internal regulation, reorganizations and subsequent reassignment of activities at risk of offense to new organizational structures or changes of a formal nature (renaming of activities/ organizational structures).

CHAPTER 8: ATTACHMENTS

1 "List of predicate offences and illegal conducts"

2 "Code of ethics pursuant to Italian Legislative Decree no. 231/01"