



**ITALO - NUOVO TRASPORTO VIAGGIATORI S.P.A.**

**ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO  
LEGISLATIVE DECREE NO. 231/2001**

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*"This document (shortly the "231 Model in English language – General Part") is intended as a «free translation» of the document «Modello di Organizzazione, Gestione e Controllo ex D.Lgs. 231/01 – Parte Generale» dated September XX, 2019 (shortly, the "231 Model in Italian language – General Part"). In case of any differences between the two documents, the document written in Italian language will prevale".*

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## **GENERAL PART**

## 1. DEFINITIONS

- "Areas "at risk "": areas and / or corporate sectors potentially exposed to D.Lgs. 231/01 crimes;
- "Sensitive Activities": declination, for each of the areas "at risk", of the business activities potentially exposed to D.Lgs. 231/01 crimes;
- "Ethical Code": the Code of Ethics adopted by ITALO - Nuovo Trasporto Viaggiatori S.p.A.;
- "Legislative Decree No. 231/2001" or "Decree 231": the Legislative Decree containing the regulation of the legal persons, companies and associations' administrative liability, even without legal personality;
- "Recipients": the Corporate Bodies, Employees, if necessary, the Partners and everyone to who the Organizational Model is addressed;
- "Employees": all ITALO - Nuovo Trasporto Viaggiatori S.p.A. employees (including managers);
- "Inside Information": specific information about Financial Instruments of one or more companies, not available to the public. The disclosure of them could significantly affect the market prices of the Financial Instruments or the prices related to them;
- "Confidential Information": any information, data, knowledge, found, patented or patentable, know-how and any information of a technical, industrial, economic, commercial, administrative or other nature, as well as any design, document, magnetic support or sample of material, which are not public or publicly available, relating to the Company and/or third parties, which will be made available to the Recipients on paper, on information technology support and / or in any other form, including, to non-exhaustive title:
  - any information, document, data, prospectus, of any nature, relating to the present or future capital and / or organizational structure of the Company;
  - any information, data, prospectus, estimate, study, of any nature, relating to and / or connected to the assets used and / or owned by the Company, to existing operational and management processes, which will be or could be adopted by the Company (including any estimates and forward-looking assessments of an operational-managerial nature), as well as to the products and / or services offered or to be offered, to customers and / or current or future commercial policies;
  - all information deriving and / or connected to any analysis, synthesis and / or studies that, following the examination of the Confidential Information, are prepared or processed by the Company and / or Recipients (including the deeds, activities and information, formal and informal transmitted verbally or in writing following meetings, meetings or conversations, including telephone calls);
  - the Inside Information;
- "Italo" or the "Company": ITALO - Nuovo Trasporto Viaggiatori S.p.A.;
- "Guidelines": Guidelines useful for the construction of Organization, Management and Control Models "ex D.Lgs. 231/2001" defined by Confindustria from time to time;
- "Organizational Model" or "Model": the present Organizational, Management and Control Model is composed also by the ethical and behavioral principles contained in the Ethical Code, as well as by the Disciplinary System;

- "Surveillance Body" or "Surveillance Board": board responsible for supervising the functioning and compliance with the Organizational Model and its updating pursuant to Legislative Decree No. 231/2001;
- "Corporate Bodies": the Board of Directors, the Managing Directors and the Board of Statutory Auditors;
- "P.A." or "Public Administration": all the administrations of the State (including institutions and schools of all levels and educational institutions, companies and administrations of the State with autonomous regulation), Regions, Provinces, Municipalities, Communities mountain and their consortia and associations, the university institutions, the autonomous public housing institutions, the chambers of commerce, industry, crafts and agriculture and their associations, the Ministries, all the national, regional and local non-economic public bodies, the administrations, the companies and bodies of the National Health Service, the Agency for the negotiation representation of public administrations (ARAN) and the Agencies referred to in the Legislative Decree 30 July 1999, No. 300, as well as all those who exercise public powers and / or public functions, including merely by way of example and not exhaustive:
  - persons who perform functions or activities corresponding to those of public officials and persons in charge of a public service;
  - members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities;
  - the officials and agents hired by contract under the statute of the European Community officials or the regime applicable to agents of the European Communities;
  - persons commanded by the Member States or by any public or private entity in the European Communities, who perform functions corresponding to those of the officials or agents of the European Communities;
  - members and employees of bodies established based on the Treaties establishing the European Communities;
  - those who, in the context of other Member States of the European Union, perform functions or activities corresponding to those of public officials and persons in charge of a public service;
  - foreign government officials;
  - persons who perform functions or activities corresponding to those of public officials and persons in charge of a public service in other foreign states or international public organizations;
- "Partner": all workers other than Employees who work in favor of Italo, such as, for example, para-subordinate workers, contractors, intellectuals, consultants and all other self-employed workers, all contractual counterparties of Italo - natural persons and/or juridical persons and/or public bodies - and all the subjects (including the suppliers) who undertakes any form of collaboration with the Company;
- "Company Procedures": the procedures adopted by the Company as an application expression of the principles established by the Organizational Model and indicated on the Map of the Areas "at risk", (Annex 2) of this Organizational Model;
- "Risk Assessment": methodology of risk identification and assessment;

- "Disciplinary System": the disciplinary system adopted by the Company for sanctioning the violation of the rules of conduct. These rules are imposed to prevent the offenses of the Legislative Decree No. 231/2001 and, in general, of the ethical and behavioral principles contained in the Ethical Code;
- "Stakeholders": all subjects who, directly or indirectly, enter relations with Italo, such as shareholders, customers, Employees and Partners and the authorities governing its activities. More generally, stakeholders are all the subjects who are interested in the existence and the operations of the Company and whose interests influence or are influenced by the effects of its activities;
- "Financial Instruments": the set of financial products and any other form of financial investment. The financial instruments are listed in the Consolidated Finance Act in Article 1, paragraph 2. They are:
  - a. shares and other securities representing risk capital negotiable on the capital market;
  - b. bonds, government securities and other debt securities negotiable on the capital market;
  - c. units of mutual investment funds;
  - d. securities normally traded on the money market;
  - e. any other normally traded security that allows the acquisition of the previously mentioned instruments;
  - f. futures contracts on financial instruments, interest rates, currencies, commodities and related indices;
  - g. spot and forward exchange contracts (swaps) on interest rates, currencies, commodities and stock indices (equity swaps);
  - h. forward contracts linked to financial instruments, interest rates, currencies, commodities and the relative indices;
  - i. option contracts to buy or sell the instruments indicated in the preceding letters and the relative indexes, as well as option contracts on currencies, interest rates, commodities and the relative indices;
  - j. the combinations of contracts or securities indicated above.
  - k. the means of payment are not considered financial instruments.

## 2. THE LEGISLATIVE DECREE NO. 231/2001 AND THE SIGNIFICANT REGULATION

The Legislative Decree No. 231/2001, introducing the "*Discipline of the administrative responsibility of legal persons, companies and associations even without legal personality*", has been issued to implement the delegation pursuant to art. 11 of the law of 29 September 2000, n. 300, following the adaptation of the internal regulation to some international conventions<sup>1</sup>.

Since July 4, 2001, the Legislative Decree No. 231/2001 has introduced a new liability regime into the Italian legal system – “administrative” nominally, but substantially punitive penal nature – against companies, associations and entities in general, for offenses committed or attempted in their interest or benefit. This responsibility is additional to the criminal responsibility of the individual who materially committed the crime.

The introduction of a new and autonomous case of “administrative” responsibility allows to directly sanction the bodies, in whose interest or benefit certain crimes have been committed by individuals - material authors of the criminally relevant crime - who act for it.

According to the Legislative Decree No. 231/2001, the entity is responsible for crimes committed in its interest or to its advantage:

- by "*individuals who perform functions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy, as well as by individuals who exercise, even de facto, the management and control of the same*" ("apical subjects"), pursuant to art. 5, paragraph 1, lett. a), of Legislative Decree No. 231/2001;
- by "*individuals subject to the direction or supervision*" of one of the "apical subjects" indicated above, pursuant to art. 5, paragraph 1, lett. b) of Legislative Decree No. 231/2001.

**According to the legislative provision (art. 5, paragraph 2, of Legislative Decree No. 231/2001), the entity is not liable if the indicated individuals have acted in the exclusive interest of themselves or third parties.** Furthermore, the mechanism for attributing responsibility to the entity varies according to whether the predicate offense was committed by individuals who hold apical positions in the management of the entity or by subjects subjected to the management and supervision of others.

In the event of a crime committed by an “apical subject”, the entity does not respond if it proves that (pursuant to Article 6, paragraph 1, Legislative Decree No. 231/2001):

- the governing Body has adopted and effectively implemented, prior to the commission of the fact, Organizational and Management Models suitable to prevent crimes of the sort that occurred;
- the task of supervising the functioning, effectiveness and observance of the Models, as well as taking care of their updating, has been entrusted to a Body of the entity with autonomous powers of initiative and control;
- individuals have committed the crime by fraudulently eluding the organization and management Models;

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<sup>1</sup> The Delegation Law 29 September 2000, No. 300 ratifies and executes various international acts, drawn up on the basis of the European Union Treaty, including:

- Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community ;
- Brussels Convention of 26 May 1997 on combating bribery of public officials of both the European Community and the Member States;
- OCSE Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

- there was no omission or insufficient supervision by the Body referred to in letter b) above.

Otherwise, in the case of commission of the predicate offense by “subjects and/or subjects subordinate to the management or supervision of others”, the entity is liable if perpetration of the offence was made possible by non-performance of management and supervisory duties.

However, before the commission of the crime, the adoption and effective implementation of an Organizational, Management and Control Model by the entity, able to prevent crimes, excludes the non-compliance with the obligations of supervision.

The Legislative Decree No. 231/2001 (art. 6, comma 2) defines the minimum content of the Organizational, Management and Control Models. These must address - in relation to the extension of the delegated powers and the risk of commission of the crimes - the following needs:

- identify the activities in which the predicate crimes may be committed;
- prepare specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented;
- identify the methods for managing financial resources suitable for preventing the commission of such crimes;
- prescribe information obligations towards the Body in charge of supervising the functioning and observance of the Organizational Model;
- introduce a disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the Organizational Model.

The Legislative Decree No. 231/2001 (art. 6, comma 2) defines measures aimed at encouraging reports of irregularities and abuses or in any case violations of the Organizational and Management Model of the entity, specifically by preparing:

- one or more channels that allow apical subjects or subordinates - guaranteeing their confidentiality regarding identity - to present, to protect the integrity of the entity, detailed reports of illegal conduct, relevant pursuant to Legislative Decree No. 231 and based on elements in fact precise and concordant, or of violations of the Organizational and Management Model of the entity, of which they became aware due to the functions performed;
- at least one alternative reporting channel capable of guaranteeing, with computerized methods, the confidentiality of the identity of the reporting party;
- the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the alert;
- sanctions against those who violate the measures to protect the whistleblower, as well as those who carry out fraudulent or grossly negligent reports that prove to be unfounded.

The Surveillance Board evaluates the reports received, including those in anonymous form, and determines any initiatives, documenting every conclusion reached.

To facilitate the flow of reports and information to the Surveillance Board, Italo has set up an IT platform (<https://whistleblowing.italospa.it/>). The reports can also be sent by post to the address of the Company's registered office, at the Internal Audit and Risk Management function.

The Company guarantees:

- maximum protection and confidentiality for the informant, without prejudice to the legal obligations and the protection of the rights of the Company or of the persons accused wrongly and / or in bad faith, as well as the guarantee against any form of retaliation, discrimination or penalization (direct or indirect), for reasons connected, directly or indirectly, with reporting; Furthermore, the correct fulfillment of the information obligation by the Recipients cannot give rise to the application of disciplinary and / or contractual sanctions;
- protection from defamatory reports.

In addition, sanctions are envisaged against those who violate the measures to protect the whistleblower, those who carry out malice or gross negligence with reports that are unfounded, as well as those who take retaliatory, discriminatory or penalized measures against the whistleblower due to the signaling itself, in line with the Disciplinary System.

## 2.1. Crimes provided for in the Decree 231

The types of crimes that - according to the current wording of Decree 231 and subsequent additions - are likely to perpetrate the administrative responsibility of the entity are those expressly listed by the legislator (for the full listing of the predicate offense types please refer to the Annex 1 of the Model).

Pursuant to art. 2 of Decree 231, the administrative responsibility of the entity is subject to compliance with the principle of legality. Coherently with this "*the entity cannot be held responsible for a fact constituting a crime if its administrative responsibility in relation to that crime and the relative sanctions are not expressly provided by a law that came into force before the commission of the event*".

In this perspective, based on the provisions of Decree 231, the liability of the entity is based on the following types of crimes:

- **crimes committed in relations with the Public Administration pursuant to articles 24 and 25 and the crimes against property, pursuant to art. 24** (where referred to the articles 640, paragraph 2, n. 1, 640-*bis* and 640-*ter* of the c.p.);
- **cybercrimes and unlawful data processing**, pursuant to art. 24-*bis*;
- **crimes of association**, pursuant to art. 24-*ter*;
- **forgery of coins, public credit cards, revenue stamps and identification instruments or signs**, pursuant to art. 25-*bis*;
- **crimes against industry and commerce**, pursuant to art. 25-*bis*.1;
- **corporate crimes**, pursuant to art. 25-*ter*;
- **crimes for terrorism or subversion of the democratic order**, pursuant to art. 25-*quater*;
- **practices of mutilation of female genital organs**, pursuant to art. 25-*quater*.1;
- **crimes against the individual**, pursuant to art. 25-*quinquies*;

- crimes of "market abuse", referred to in art. 25-*sexies*;
- crimes committed in breaching of laws and regulations on accident prevention and on health protection at work, pursuant to art. 25-*septies*;
- crimes of handling, laundering and investing illicitly derived money, goods and gains as well as self-laundering, pursuant to art. 25-*octies*;
- copyright infringement crimes, pursuant to art. 25-*novies*;
- crime of incitement not to testify or to bear false testimony before the judicial Authority, pursuant to art. 25-*decies*;
- transnational organized crime provided for in articles 3-10 of Law 146/2006;
- environmental crimes, pursuant to art. 25-*undecies*;
- offense of employing foreign national without a valid residence permit, pursuant to art. 25-*duodecies*;
- crime of racism and xenophobia, pursuant to art. 25-*terdecies*;
- crime of fraud in sports competitions, pursuant to art. 25-*quatuordecies*;
- tax crimes, pursuant to art. 25-*quinquiesdecies*;
- crime of non-compliance with disqualification sanctions, pursuant to art. 23.

## 2.2. Applicable sanctions

The sanctions set forth by the law, against the entity following the commission or attempted commission of crimes that determine their administrative liability fall into the following categories:

- **pecuniary sanction** (and precautionary attachment);
- **disqualification sanctions**<sup>2</sup> (also applicable as a precautionary measure, with a duration of not less than three months and no more than two years) which, in turn, may consist of:
  - interdiction, temporary or definitive, from the exercise of the activity;
  - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
  - prohibition from contracting with the Public Administration, except for obtaining a public service;
  - exclusion from subsidies, funding, contributions or grants and the eventual revocation of those already granted;

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<sup>2</sup> The law n. 3/2019 has modified the art. 25, paragraph 5 of Legislative Decree No. 231/01, providing that "in cases of conviction for one of the crimes indicated in paragraphs 2 and 3, the disqualification sanctions set forth in art. 9, paragraph 2, for a duration not less than four years and not more than seven years, if the crime was committed by one of the subjects referred to in Article 5, paragraph 1, lett. a), and for a duration of not less than two years and not more than four, if the crime was committed by one of the subjects referred to in Article 5, paragraph 1, lett. b) ".

- temporary or permanent prohibition from publicizing goods or services.

According to the art. 17 of Legislative Decree 231, the disqualification sanctions are not applicable when, before the opening declaration of the trial of First Instance, the following conditions are verified:

- the entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has effectively used it in this regard;
  - the entity has eliminated the organizational deficiencies that led to the crime by adopting and implementing Organizational Model suitable for preventing crimes of the kind that occurred;
  - the entity has made available the profit obtained for the purposes of confiscation;
- **confiscation of the profit that the entity has drawn from the crime** (and attachment, as a precautionary measure);
  - **publication of the conviction sentence** (which can be ordered in the case of application of a disqualification sanction).

The pecuniary sanction is determined through a system based on "shares" in a number not less than one hundred and not more than one thousand, for a variable amount between a minimum of Euro 258.22 and a maximum of Euro 1.549,37. The judge determines the number of shares taking into account the seriousness of the fact, the degree of responsibility of the entity, as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further illegal acts.

The amount of the fee is fixed on the economic and financial conditions of the entity, to ensure the effectiveness of the sanction (Article 11 of Decree 231).

In relation to the only crimes for which they are expressly foreseen, the interdicted sanctions are applied when at least one of the following conditions is verified:

- the entity has made a significant profit from the offense and the offense was committed by individuals in senior positions or by persons subjected to the direction of others when, in the latter case, the commission of the crime was determined or facilitated by serious organizational shortcomings;
- repetition of offenses (Article 13).

The disqualification from the activity, the prohibition from contracting with the Public Administration and the prohibition from publicizing goods or services can be applied - in the most serious cases - definitively (art. 16).

Article. 8 of Decree 231 establishes the autonomy of the entity's liability from the individual, specifying that the entity's liability exists even if the offender has not been identified or is not attributable or if the crime of extinguish for a cause other than amnesty.

### 3. CONFINDUSTRIA GUIDELINES

In implementation of art. 6, paragraph 3, of Legislative Decree No. 231/2001, Confindustria has defined its Guidelines for the construction of Organizational, Management and Control Model (first released on 7 March 2002, then integrated on 3 October 2002 with appendix relating to corporate crimes, subsequently updated on 24 May 2004, amended in light of the comments of the Ministry of Justice of 4 December 2004, then updated on 31 March 2008, in June 2009 and, most recently, in March 2014), in which the associated companies are given methodological indications on how to identify risk areas and structure the Organizational, Management and Control Model.

The Guidelines provide the following steps for defining the Organizational Model:

- identification of the risks of committing relevant crimes pursuant to Legislative Decree No. 231/2001;
- preparation and / or implementation of a control system suitable for preventing risks through the adoption of specific protocols.

The most relevant components of the control system defined by Confindustria are:

- a. Ethical Code with reference to the crimes considered;
- b. organizational system sufficiently updated, formalized and clear;
- c. manual and IT procedures;
- d. authorization and signatory powers;
- e. integrated control systems;
- f. communication to staff and their training.

These components must be consistent with the principles of:

- verifiability, documentability, consistency and congruence of each operation;
- application of the principle of separation of functions;
- control documentation;
- provision of an adequate sanctioning system for the violation of the Ethical Code rules as may be declined by the system of processes and controls used by the company;
- autonomy, independence, professionalism and continuity of action of the Surveillance Board;
- identification of the criteria for the choice of the control Body and the provision of specific information flows to and from the control Body.

Even if the law does not explicitly attribute to these Guidelines a binding regulatory value, article 6, paragraph 3, of Legislative Decree No. 231/2001 provides that the Organizational Model can be adopted *“on the basis of codes of conduct drawn up by the associations representing the institutions, communicated to the Ministry of Justice which, in agreement with the competent Ministries, can formulate, within thirty days, observations on the suitability of the models to prevent crimes?”*.

On 21 July 2014, the Guidelines were approved by the Ministry of Justice, which assessed the same instrument *“overall adequate and suitable for achieving the purpose set by art. 6, comma 3 of Legislative Decree No. 231/2001”*.

The Company, believing that the Guidelines contain a series of indications and suitable measures to respond to the needs outlined by the legislator, was also inspired by the principles contained within the same in the construction of this Organizational Model.

## 4. ITALO – NUOVO TRASPORTO VIAGGIATORI S.P.A.

### 4.1. The activity

Italo – Nuovo Trasporto Viaggiatori S.p.A. is a company limited by shares that operates in the rail passenger transport market on high-speed / high-capacity (AV / AC) lines, as well as on the traditional network, through its own fleet of trains.

The Company's purpose is to exercise the following activities, directly and / or indirectly, also through the acquisition of investments in Italian and foreign businesses:

- planning, organization and performance of the transport of people and goods on the national and international rail network, based on national and international standards;
- planning, organizing and carrying out the transport of people on high-speed national and international railway lines;
- planning, organization and carrying out of the transport, directly or indirectly, of goods and people also through different means rather than the railway, both nationally and internationally;
- acquisition, management and sale, nationally and internationally, of all the assets necessary for the execution of the business purpose, first of the rolling stock and any other means suitable for the transport of goods and people and of all goods, however, necessary for the pursuit of the corporate purpose;
- direct and indirect management, at national and international level, of all railway operations in line, at the station and in the binary beams of hospitalization, necessary for the execution of the corporate purpose;
- management, at national and international level, of the repair and maintenance workshops of the rolling stock, as well as of the repair and maintenance workshops of any means necessary for the transport of goods and persons, own or third parties; including facilities also owned by the Infrastructure Manager and / or public property also assuming - where required by law - the qualification of Plant Operator as well as any other necessary function;
- offer and / or sale, directly and indirectly, to the public of transport services also through travel organization activities, as well as ancillary transport services, furthermore performed in combination with other subjects that carry out transport activities or in general of travel arrangements;
- production and sale, directly or indirectly, of ancillary services to transport services (catering on board trains and at stations, road transport to and from stations, customer assistance, etc.);
- disbursement in favor of third parties of all the activities of a company that carries out transport of goods and persons, also different from the railway one (such as, by way of example and not exhaustive, conduct of the means, request of capacity to the competent subjects and purchase of train paths, issue of traffic regulations);
- carrying out related or instrumental activities, including publishing, advertising, information technology, online and multimedia activities and in general commercial, financial, real estate, securities, research, training and consultancy activities, nationally and internationally;
- provision to third parties of consulting services, at national and international level, direct and instrumental to the achievement of the corporate purpose;

- setting up of special purpose companies and subsidiaries and / or associated companies or the assumption and / or disposal of shareholdings both on the national and international territory for which technical, administrative and organizational coordination can take place and to which any appropriate assistance can be provided;
- any other necessary activity connected or consequent to the pursuit of the corporate purpose, the best use of the assets and the professionalism present in the company, both nationally and internationally.

The Company will be able to carry out, both nationally and internationally, all commercial, industrial, financial (not vis-à-vis the public), real estate and securities transactions that will be deemed necessary or useful for achieving the corporate purpose, including, by way of example and not exhaustive, the provision of guarantees, sureties and any other guarantee, even real and also in favor of third parties, and the assumption of mortgages and loans, in any form and from any third party.

The realization of the corporate purpose may also be pursued by acquiring and / or renting business units as well as through subsidiaries or associated companies, Italian or foreign, of which the Company may promote the establishment or take shareholdings.

The Company may also take on or dispose of interests and investments in other companies and institutions of any kind, national or foreign. The collection of savings between the public and any financial towards the public in any form is excluded.

#### **4.2. Corporate governance and organizational structure**

Pursuant to the corporate by-laws, the Company is currently managed by a Board of Director and an Executive Committee. The former has appointed an Executive Director who is also the Managing Director. The Directors remain in office for the period determined by the appointment deed, which may not in any case exceed three years, and expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office. The Directors may be re-elected.

The representation of the Company before third parties and in court is the responsibility of the Chairman of the Board of Directors, who has the power to issue mandates to attorneys and lawyers, to whom sub-delegation powers may be conferred. Representation is also the responsibility of the Vice President, the Managing Directors and General Managers, if appointed, within the limits of the powers granted to them.

The shareholders' meeting has appointed both a Board of Statutory Auditors and an auditing company.

In order to define the roles and responsibilities of the corporate decision-making process, the Company has developed a summary table in which its organizational structure is outlined (so-called organizational chart).

In the organization chart the followings are specified:

- the areas in which the business is divided;
- the hierarchical dependency lines of each corporate function;
- the title of the position of the subjects operating in the individual areas.

The organization chart is constantly checked and updated and it is circulated within the Company (also via intranet) by the responsible department.

Italo undertakes to achieve these objectives:

- ensuring the availability of appropriate human and financial resources;
- continuously reinforcing the focus on Health, Safety and Environment issues;
- promoting the constant training of its personnel and specific information with respect to the risks associated with work activities;
- ensuring a zero-tolerance approach to any deviation from the rules and procedures.

The divisional organizational configuration and the complex articulation of the corporate structure provides for the presence of 3 operating divisions, such as production units fully responsible for operational and commercial activities and whose managers are therefore owners of all decision-making, technical, financial and management, as well as Employers pursuant to art. 2 of Legislative Decree no. 81 of 2008.

The Employers have been given all the powers and duties necessary to perform, without spending limits and with maximum management autonomy, all the interventions and obligations that may be necessary to ensure that their activities are carried out in accordance with current legislation on the subject of health, safety, environment and public safety and security.

#### **4.3. The Security management system**

The Company's security management system is mainly divided into three areas:

- (i) railway safety, whose purpose is to monitor and prevent the risks associated with the exercise of railway activity; a manager, responsible for safety management system is responsible, has been appointed;
- (ii) occupational health and safety aimed at promoting the creation of a safe and healthy work environment;
- (iii) environmental safety, in charge of monitoring and preventing the environmental impact of Italo's activity.

The safety of people is a priority objective that is constantly monitored and guaranteed in the management of the Company's activities through an integrated workplace safety and environmental management system.

Italo recognizes the importance of protecting the aspects of safety and the environment at all levels of the Company. During all the phases of development of the projects and services, Italo is strongly oriented to monitoring the different performance indicators of the integrated system and review periodically its objectives, to ensure continuous improvement.

Following the commitment to comply with applicable legislation, the guidelines and standards required by international organizations (IMO, ISO, OHSAS, etc.), Italo pursues specific objectives to ensure maximum protection of the environment and the health and safety of people. These specific objectives include:

- continuous promotion of culture for environmental protection and protection of health and safety at work;

- care in managing the process of identifying and assessing risks in the field of safety at work and safety of rail traffic, to ensure rapid and appropriate mitigation and control measures in all operations, including material suppliers, suppliers of services and partners;
- observance of the principle of maximum precaution in the selection and evaluation of service providers and materials;
- the protection of the health and safety of the personnel and of all the people who could be influenced by the Company's activity, taking into consideration the planned and executed activities and the specific criticalities connected to the places in which Italo operates;
- due diligence in relation to environmental and safety aspects during mergers and acquisitions, aimed at identifying any existing and potential impacts associated with any previous construction, infrastructure, past activity and / or current practice, including liabilities potential associated with pre-existing pollution;
- prevention of pollution and potential environmental damage caused by its activities;
- the efficient use of energy and natural resources.

## 5. THE ORGANIZATIONAL MODEL

### 5.1. Preparation of the Organizational Model

This Organizational Model, in line with the provisions of articles 6 and 7 of Legislative Decree No. 231/2001, represents the Organizational, Management and Control Model adopted by Italo - Nuovo Trasporto Viaggiatori S.p.A. to avoid or at least reduce to an "acceptable level" the risk of committing relevant crimes pursuant to the same Decree by its senior and subordinate subjects.

The preparation process of this Organizational Model was structured into the following phases (then retraced during the update of the same):

#### I) Identification of the Areas “at risk” and the related “Sensitive Activities”

Objective of the first phase was the analysis of the business context, in order to identify in which areas / sectors of activity of the Company - in the abstract and even only in a potential way - cases ascribable to the relevant predicate crimes pursuant to Legislative Decree No. 231/2001 could occur.

This analysis took place through the prior examination of the Company's corporate documentation as well as through a series of interviews (carried out also through the use of specific questionnaires) to the key subjects of the corporate structure. The interviews were aimed at:

- identifying the primary activities of the individual company areas;
- deepening the system of relationships understood both as internal relations between the various business areas in the performance of their activities, and as external relations, about those maintained by the Company with the Public Administration.

The result obtained consists of the representation of the Areas “at risk” and the related “Sensitive Activities” considered to be “at risk” - even merely potential - of committing the relevant crimes pursuant to Legislative Decree No. 231/2001. The results produced were formalized in a preparatory document called the «Map of Areas “at risk”», attached to this Model (*Annex 2*).

#### II) Potential types of crimes commission and description of the preventive control system in place (so-called “As is analysis”)

In the second phase of the process it has been proceeded with the analysis of the types of risk commission of the predicate offenses, of the potential implementation methods of the offenses themselves and of the control systems already activated by the Company to oversee the Sensitive Processes (e.g. existing procedures, verifiability, congruence and consistency of operations, separation of responsibilities, documentability of controls, etc.).

The overall analysis that was illustrated in the preparatory document called "*as is analysis*" (hereinafter also the "**As is analysis**"), made it possible to identify the controls / preventive controls already existing within the Companies, in order to be able to evaluate - in the context of the subsequent phase - the ability to reduce the risks of committing significant crimes pursuant to Legislative Decree No. 231/2001 to an "acceptable level".

### III) **Performing the comparison analysis between the “as-is” situation and the “to-be” Model (so-called “Gap Analysis”)**

In the third phase, a comparative analysis was carried out between the current organizational structure and an abstract model ("to be"), defined considering the provisions contained in Legislative Decree No. 231/2001 and as recommended by the Guidelines, which could be considered suitable to reduce the risk of committing crimes to an "acceptable level".

The results of the above analysis were illustrated in the preparatory document called "gap analysis" (hereinafter also the "**Gap analysis**").

### IV) **Preparation of this document**

Once the preliminary analysis activities and the preparation of the preparatory documents described above were completed, the first version of this document was prepared which describes the Organizational Model adopted by the Company. The Organizational Model represents a coherent set of criteria and / or principles, to which the corporate organization conforms (implemented and integrated through the Company Procedures and Internal Regulations, or through the other organizational processes and tools adopted by the Company) aimed at preventing offenses in accordance with the provisions of Legislative Decree No. 231/2001 and the Guidelines.

#### ***5.1.1 Adoption and amendments of the Model***

This "Organizational Model" of Italo, prepared and drafted according to what previously described, was adopted by resolution of the Board of Directors on March 25th 2011 and updated as indicated in the epigraph.

#### ***5.1.2 Function of the Organizational Model***

The Organizational Model intends to promote a structured and organic system of procedures, internal regulations and control activities aimed at rationalizing the performance of company activities, as well as preventing the risk of committing significant crimes pursuant to Legislative Decree No. 231/2001.

The goal of the Organizational Model is therefore to establish the respect of ethical principles, roles and relating operating procedures among the Corporate Bodies, in the Employees, and, whether deemed appropriate, among the Partners and / or in any case in relation to any individual who operates on behalf and / or in the interest of the Company.

Specifically, the Company has identified the activities exposed to the risk of crime and prepared a system of controls, to adequately plan the formation and implementation of the Company's decisions also in relation to the crimes to be prevented and to allow the timely adoption – by the Company itself – of the most appropriate measures and precautions to prevent the commission of such crimes.

The Company has also adopted a series of procedural and control measures aimed at effectively implementing the Organizational Model of which they are an integral part; in this context, the Company has adopted corporate procedures summarizing the main controls / procedures of the Company to reduce the risk of committing crimes to an “acceptable level”.

These Company Procedures and internal regulations are adequately disseminated within the Company through specific internal communication mechanisms (e.g. publications on the Company intranet and ad hoc information / training programs), and periodically updated to raise awareness of the corporate, ethical and disciplinary values of the Organizational Model itself among those who act in the name and / or on behalf of the Company.

To ensure that the provisions of the Organizational Model are effective, the Company has also adopted a system of disciplinary or contractual sanctions, addressed to the members of the Corporate Bodies, Employees, and, where necessary, to Partners, if they behave in a relevant manner pursuant to the ethical / organizational system adopted by the Company.

## **5.2. Structure of the Organizational Model**

### **5.2.1 The General Part and the Special Parts**

This Model consists of:

- the “General Part”, in which the training methods, the structure and the essential components of the Organizational Model are identified and regulated, as well as the updating and amendments;
- the “Special Parts, in which criteria and/or general principles of behavior to which the organization conforms are illustrated, with reference to each category of relevant crimes pursuant to Decree 231, as well as control principles. Moreover, with reference to each category of offense, the Special Parts also refer to the safeguards and protocols adopted to implement and integrate the criteria and / or principles of this Organizational Model to reduce the risk of commission of the crimes themselves;
- of the annexes n. 1) containing the list of “liable crimes”; n. 2) Map of Areas “at risk”, containing examples of the offences commission; n. 3) containing the representation of the “Model 231 by process” to facilitate its usability by the Recipients.

The Organizational Model therefore represents a coherent set of criteria, principles and provisions that: (i) affect the internal functioning of the Company and the ways in which it relates to the outside and (ii) regulate the diligent management of a control system for Sensitive Activities, aimed at preventing the commission, or the attempted commission, of the relevant violations for the purposes of Legislative Decree No. 231/2001.

The Special Parts indicated below are dedicated to the categories of offense of the Decree which, following the conclusion of the activities for updating the last risk assessment, were considered most relevant due to the operating sector, the organization and the processes that characterize the Society:

- the Special Part "A", called "Crimes against the Public Administration and the Judicial Authority", concerns the specific types of crime envisaged by articles 24 and 25 and 25 decies of Decree 231;
- the Special Part "B", called "Corporate crimes", concerns the types of offenses envisaged by art. 25-ter of Decree 231;
- the Special Part "B1", called "Crime of corruption between private individuals and instigation to corruption between private individuals", concerns the types of crime envisaged by art. 25-ter lett. s bis) of Decree 231;

- the Special Part "C", called "Crimes of culpable homicide and culpable personal injury, serious or very serious offenses committed in violation of the rules on the protection of health and safety at work", concerns the types of crime provided for by art. 25 septies of Decree 231;
- the Special Part "D", called "Crimes of receiving, laundering and using of money, goods or utilities of illegal origin, as well as self-laundering", concerns the types of crime provided for by art. 25-octies of Decree 231;
- the Special Part "E", called "Offenses concerning the infringement of copyright", concerns the types of crime envisaged by art. 25-novies of Decree 231;
- the Special Part "F", called "Computer crimes", concerns the types of crime provided for by art. 24 bis of Decree 231;
- the Special Part "G", called "Environmental crimes", concerns the types of crime envisaged by art. 25-undecies of Decree 231.
- the Special Part "H", called "Tax crimes", concerns the types of crime envisaged by art. 25-quinquiesdecies of Decree 231.

In relation to the individual categories of crimes listed, the general control principles described in the General Section, those contained in the Ethical Code, are applied, in addition to the general principles of conduct and the preventive control principles described in each Special Section.

For the following categories of offenses contemplated by the Decree, the outcome of the risk assessment activities has led them to consider them to be significant but less significant:

- art. 24 *ter* (Organized crime offenses);
- art. 25 *bis* (Counterfeit currency, public credit cards, revenue stamps and identification tools or marks);
- art. 25 *bis* 1 (Crimes against industry and commerce);
- art. 25 *quater* (Crimes with the purpose of terrorism or subversion of the democratic order);
- art. 25 *quinquies* (Crimes against the individual);
- art. 25 *sexies* (Market Abuse);
- art. 25 *duodecies* (Employment of third-country nationals whose stay is irregular);
- art. 25 *terdecies* (Racism and Xenophobia).

In relation to the individual categories of crimes listed, the general control principles described in the General Part and those contained in the Ethical Code are applied, in addition to the general principles of conduct and the preventive control principles described in Special Part "I".

For the following categories of offenses contemplated by the Decree, the outcome of the risk assessment activities has led to consider to be "less significant":

- art. 24 *ter* (Crimes of association);
- art. 25 *bis* (Forgery of money, public credit cards, tax stamps and recognition instruments or signs);
- art. 25 *bis* 1 (Crimes against industry and trade);

- art. 25 *quater* (Crimes for purposes of terrorism or subversion of the democratic order);
- art. 25 *quinquies* (Crimes against individuals, for what concerns the article 603-bis of penal code);
- art. 25 *sexies* (Market Abuse);
- art. 25 *duodecies* (Employing a foreign national without a valid residence permit);
- art. 25 *terdecies* (Racism and xenophobia).

In relation to these categories of offenses, the general control principles described in the General Section, those contained in the Ethical Code and the general principles of conduct described in Special Section H apply.

Eventually, an examination of the complex of corporate activities has led us to believe that there is a distant possibility of committing practice of mutilation of female genital organs pursuant to art. 25 quater 1 of Legislative Decree No. 231/2001 and sports competitions fraud, illegal gaming or betting and gambling exercised through prohibited equipment to art. 25 quaterdecies as per Legislative Decree No. 231/2001.

With regard to these categories of offenses, the general control principles described in the General Section and those contained in the Ethical Code apply.

### **5.2.2 The Ethical Code**

The Ethical Code is an integral part of the Organizational Model both because the provisions contained therein constitute a fundamental criterion for interpreting the principles, rules and organizational practices, and because such Ethical Code clearly and explicitly highlights to all its Recipients that the realization of non-compliant behaviors determines a personal assumption of responsibility by their author.

### **5.2.3 The Disciplinary System**

In order to sanction the failure to comply with the measures indicated in the Organizational Model and the ethical principles contained in the Ethical Code, the Company has adopted a specific Disciplinary System, which is an integral part of the Organizational Model.

## **5.3. Company procedures, internal regulations and other organizational instruments**

Company procedures and internal regulations are not part of the Organizational Model but they identify the application methods of the principles contained therein. With regards to the relationships with third parties, the latter will be obliged to comply with the corporate procedures if they receive a copy of them and direct reference is made to them in the implementation of the relative contractual relationships.

The Company Procedures adopted aim at satisfying the needs indicated by the current legislation. Pursuant to art. 6 of Legislative Decree No. 231/2001, in fact, the Model must, among other things, meet the following requirements:

- set the specific criteria and protocols aimed at planning the formation and implementation of the company's decisions regarding crime to be prevented;

- identify the adequacy of financial resource management conditions in order to prevent the commission of crimes;
- set up information flows to the Surveillance Board.

The criteria and principles set out in this Model are implemented not only through the Company Procedures and Internal Regulations, but also through other organizational tools adopted by the Company, such as, by way of example, organizational charts, organizational guidelines, service orders, the corporate powers of attorney and all the principles of conduct adopted and operating within the Company. Company procedures, internal regulations and other organizational tools cannot in any case derogate from the criteria and / or principles indicated in the Organizational Model.

#### 5.4. Control principles pursuant to D. Lgs. 231/01

The Company has the goal to implement an effective system of preventive controls that is such that it cannot be bypassed if not intentionally, also for excluding the administrative liability of the entity.

The control principles are articulated into three levels:

- **general control principles**, which both the internal control system and the risk prevention system must comply with:
  - formalized **system of powers** and **organizational system**;
  - formalized **internal procedures (“protocols”)** for the regulation of activities, responsibilities and controls;
  - **segregation of functions** among those who authorize, who perform and who control operations, so that no one has unlimited powers and is free from the verification of other individuals;
  - **traceability**, as the individuals, the organizational units involved, and / or the information system used must ensure the identification and reconstruction of sources, information elements and controls carried out that support the formation and implementation of the Company’s decisions and the modalities of management of the financial resources;
- **general principles of conduct** aimed at standardizing the procedures for the formation and implementation of decisions, in the context of each category of crime deemed to be most relevant or relevant;
- **preventive control principles** aimed at avoiding the commission of crimes in each of the Areas “at risk” mapped and reported in each Special Part of the Model.

#### 5.5. Recipients of the Model

The Recipients of the Model 231 (hereinafter, the “Recipients”) of the Model 231, who are under obligation to comply with the content of the Model itself, are:

- those who perform, also in fact, perform representative function, management, administration, direction or control of an organizational unit, having financial and functional autonomy;

- the employees and the collaborators of the Company, of any grade and by virtue of any type of contractual relationship;
- who, although not belonging to the Company, operates on a mandate or in the interests of the same;
- partners, consultants and other contractual counterparties, subject to the management or supervision of the Company.

The Recipients are required to comply promptly with all the provisions of the Model, also in fulfillment of the duties of correctness and diligence arising from the legal relations established with the Company.

The Company condemns and sanctions any behavior that differs from the law, from the provisions of the Model and from the Ethical Code, as well as the behaviors carried out in order to evade the law, the Model or the Ethical Code, even if the conduct is realized in the belief that it pursues, even in part, the interest of the Company or with the intention of giving it an advantage.

## **6. UPDATE AND REVIEW OF THE ORGANIZATIONAL MODEL**

### **6.1. Update and amendments of the Organizational Model**

In compliance with the provisions of art. 6, c. 1., let. B) of the Legislative Decree No. 231/2001, the Surveillance Body (as defined and identified in the following paragraph) is entrusted with the task of updating the Organizational Model. The interventions for updating / amending the Organizational Model may be implemented in case of:

- legislative innovations;
- any hypotheses of violation of the Organizational Model and / or results of assessment on its effectiveness in light of the case history of the Company and best practices;
- changes in the organizational structure, deriving also from extraordinary financial operations or from changes in the strategy that open new fields of activity for the Company;
- verification of the effectiveness of the Organizational Model or the consistency between the Organizational Model and the concrete behavior of the Recipients.

For this purpose and in accordance with the role assigned to it by art. 6, paragraph 1, letter b) of Decree 231, the Surveillance Body, also making use of the support of the relative company functions, must identify and report to the Board of Directors the need to proceed with the updating / review of the Organizational Model communicating each information of which has come to the knowledge that it may determine the opportunity to proceed with the updating / adaptation of the Organizational Model and also providing indications regarding the procedures according to which to proceed with the implementation of the related interventions.

The task of arranging the updating of the Organizational Model is attributed to the Board of Directors (or to the subject specifically delegated by the latter), given that the Organizational Model is a "document issued by the governing Body" in compliance with the provisions of art. 6, paragraph 1, letter a) of Decree 231. Subsequent amendments and additions (also due to changes in the relevant legislation and / or requirements arising from organizational or structural changes to the Company) will therefore be formally adopted by the Board of Directors or by the subject by the latter specifically delegated.

On the other hand, with regards to modifications or additions to the Model of a non-substantial nature, the Legal Affairs & Compliance Function is required to inform the Board of Directors.

In order to adapt the present Organizational Model to the changes occurring in the company organization, as well as to incorporate the new types of crime recently introduced in Decree 231, steps were taken, through the examination of the corporate documentation as well as through a series of interviews with the key subjects of the organizational structure of the Company to identify / update the areas / sectors of activity of the Company in which there could - in the abstract and even only potentially - occur cases attributable to the relevant predicate crimes pursuant to Decree 231.

The results produced were formalized in the Map of the Areas "at risk", attached to this Organizational Model (Annex 2), which summarizes the business areas potentially exposed to risk and the related "Sensitive Activities".

## 7. SURVEILLANCE BODY

### 7.1. Individuation of the Surveillance Body

The task of supervising the functioning, effectiveness and observance of the Organizational Model as well as proposing / updating it is entrusted to a specific Surveillance Body with independent powers of initiative and control pursuant to art. 6, paragraph 1, letter b), of Decree 231.

The Company has therefore established its own Surveillance Body with a specific resolution of the Board of Directors, composed of three members, namely:

- two external members identified among academics and professionals of proven competence and experience in legal, financial and internal control issues, as well as with adequate and proven experience in the scope of application of the Decree;
- an internal member, responsible for the Internal Audit & Risk Management Function.

The Chairman of the Surveillance Body is appointed by the Board of Directors and is chosen from among the two external professionals.

The Guidelines identify, as main requirements of the Surveillance Body, autonomy and independence, professionalism and continuity of action. Taking these requirements into account, Italo decided to entrust the function of Surveillance Body to a Body:

- with a collegial composition;
- that does not have operational duties, except for the possibility, as required by law, that one or more members of the Board of Statutory Auditors are appointed as members of the Surveillance Body;
- which has the characteristics, requirements and powers indicated below.

Specifically, Italo's Surveillance Body has:

- **adequate autonomy** (in the sense that the position of the Surveillance Body within the Company must always guarantee the autonomy of the control initiative from any form of interference or conditioning by any member of the Company and, in particular, of the executive bodies) and independence (in the sense that it must not be conditioned on an economic and personal level and must not be in a condition of conflict of interest, even potential);
- **professionalism** (all members must have specific professional skills capable of performing risk analysis, assessment and containment, processing and assessment of questionnaires, or knowledge of specific techniques, suitable for guaranteeing the effectiveness of control powers and of propositional power entrusted to it)
- **continuity of action** (the Surveillance Body devotes itself full-time to the supervision of the Organizational Model and has no operational duties that could lead it to make decisions with economic-financial effects);
- **express authorization** to have recourse of each corporate Function and external individuals to the organization of the company (consultants, auditing companies, etc.);

- **opportunity of similarly consulting** all the individuals involved in the company processes, even if they are external to the organization of the company (e.g. consultants, auditing companies), without having to be authorized by the top management.

## **7.2. Appointment of the Surveillance Body**

The appointment of the Surveillance Body is subject to the presence of the subjective eligibility requirements listed below and described.

In particular, they constitute causes of ineligibility of the members of the Surveillance Body:

1. the pronouncement of sentences of conviction or any penalty pursuant to art. 444 CP (also not final) for having committed one of the crimes provided for by Decree 231 or for offenses of the same nature (e.g. tax crimes, bankruptcy crimes, etc.);
2. the condemnation, even with a final judgment, of a penalty that involves the interdiction, even temporary, from public offices, or the temporary disqualification from the management offices of legal persons and companies;
3. the application of personal precautionary measures in relation to one of the crimes provided for by Decree 231 or for offenses of the same nature (e.g. tax crimes, bankruptcy crimes, etc.);
4. the interdiction, disabling or bankruptcy of a member of the Surveillance Body;
5. the existence of conflicts of interest, even potential, with the Company, such as to jeopardize the independence required by the role and duties of the Surveillance Body, as well as coincidences of interest with the Company exorbitantly from ordinary ones based on any relationship of dependence or intellectual work;
6. the attribution of administrative functions with executive powers to the Company or other companies of the group to which the Company belongs;
7. having established a public employment relationship with central or local administrations in the three years preceding the appointment as a Surveillance Body;
8. the existence of ties of kinship or affinity within the fourth degree with the members of the corporate bodies or top management.

When the assignment is conferred, each member of the Surveillance Body must issue a declaration certifying the absence of the aforementioned causes of ineligibility and the commitment to inform the Company about the possible occurrence of one of them.

Each member of the Surveillanec Body must also have a professional and personal profile that does not prejudice the impartiality of judgment, the authority and ethical conduct of the Surveillance Body itself.

Each member must therefore personally present an ethical profile of unquestionable value, be the Recipient of a strong commitment on the part of the company organization and have objective credentials of competence on the basis of which they can demonstrate, even externally, the real possession of technical qualities valuable.

Specifically, then, in terms of competences, the Surveillance Body must guarantee as a whole:

- knowledge of the organizational structure of the Company and of the main business processes typical of the sector in which the Company operates;

- legal knowledge such as to allow the identification of the cases likely to constitute hypothesis of crime;
- ability to identify and assess the impacts, deriving from the reference regulatory context, on the company situation;
- knowledge of the principles and techniques of the activity performed by the internal auditing;
- knowledge of the specialized techniques of those who carry out "inspection" and "consulting" activities.

The members of the Surveillance Body must carry out their duties with the diligence required by the nature of the same, the nature of the activity carried out and their specific skills, basing their work on the principles of autonomy and independence. The members of the Surveillance Body are also required to keep secret the information learned in carrying out their activity.

All members of the Surveillance Body are jointly and severally liable to the Company for damages deriving from failure to comply with the legal obligations imposed on them for the performance of their duties unless the members immune from fault have pointed out their dissent and have timely informed the Chairman of the Board of Directors.

### **7.3. Compensation of the Surveillance Body and financial resources**

The compensation due to each of the members of the Surveillance Body is established upon appointment by the Board of Directors or by a subsequent resolution.

The Surveillance Body has adequate financial and logistical means to enable it to operate. The Company's Board of Directors, in order to provide the Surveillance Board with effective autonomy and capacity, provides it with an adequate fund, which must be used exclusively for the expenses that this will incur in the performance of its functions. For the use of this fund or the need for integration for the following year, the Surveillance Body must present a detailed report on the occasion of the periodic report to the Board of Directors.

### **7.4. Duration of the appointment of the Surveillance Body**

The Surveillance Body remains in office for the number of financial years established by the Board of Directors at the time of appointment and in any case (or in the absence of its determination at the time of appointment) no more than three financial years. The Surveillance Body ceases due to expiry of the appointment on the date of the meeting called to approve the financial statements for the last year of its office.

### **7.5. Forfeiture, withdrawal and replacement**

If a member of the Surveillance Body is in one of the causes of ineligibility, he / she will have to inform the Board of Directors and will automatically be removed from office. The Board of Directors will appoint a new member of the Surveillance Body, without prejudice, in any case, to the power of the Board of Directors to order - for the causes of forfeiture referred to in paragraphs 1 and 2 of paragraph 7.3. - the mere suspension of the powers of the member concerned and the appointment of a new member of the interim Surveillance Body, pending the final judgment.

Each member of the Surveillance Body may withdraw from the mandate given at any time and must give written notice to the Chairman of the Board of Directors and, for information, to the Chairman of the Board of Statutory Auditors with at least three months' notice. The Board of Directors will provide for the replacement, appointing a new member who will remain in office for the period in which the subject replaced by him should remain in office.

#### **7.6. Suspension and revocation of the Surveillance Body**

The revocation of the members of the Surveillance Body is the responsibility of the Board of Directors, having consulted the Board of Statutory Auditors. It can only take place for just cause or in cases of unexpected impossibility or when the members of the same fail to meet the requirements of independence, impartiality, autonomy, integrity, absence of conflicts of interest and / or family relationships with the Corporate Bodies and with top management or, for internal members, when the contractual relationship with Italo ceases.

In this regard, for "just cause" of revocation of the members of the Surveillance Body shall be understood as:

- disqualification or disqualification, or a serious illness that renders one or more members of the Surveillance Body unfit to perform their Surveillance functions, or an illness that, in any case, involves the absence from the workplace for a period of time over six months;
- the resignation or dismissal of the person entrusted with the function of the Surveillance Body for reasons not related to the exercise of the function of the Surveillance Body, or the assignment to the same of functions and responsibilities incompatible with the requirements of autonomy of initiative and control, independence and continuity of action that are specific to the Surveillance Body;
- a serious breach of the duties of the Surveillance Body, such as - by way of example only - the failure to prepare the written report and the annual report describing the activity carried out and the criticalities found, or the failure to execute the periodic inspections concerning the operations or specific acts carried out in the context of the areas "at risk" of crime, or the omitted inspection activity aimed at identifying any violations of the Organizational Model and / or situations "at risk" of crime;
- the "omitted or insufficient supervision" by the Surveillance Body, in accordance with the provisions of art. 6, paragraph 1, letter d), of Decree 231, resulting from a judgment condemning the Company pursuant to Decree 231, which became final, or from a criminal proceeding concluded through a decree "plea bargain". The Board of Directors may also order the suspension of the powers of the Surveillance Body and the appointment of an interim Surveillanec Body, pending the final judgment being passed;
- the imposition of fines and / or disqualifications against the Company as a result of the inactivity of one or more members of the Surveillance Body.

The Board of Directors provides for the replacement, appointing a new member who will remain in office for the period in which the person he replaced should remain in office.

#### **7.7. Functions and powers of the Surveillance Body**

The Surveillance Body has all the powers necessary to ensure timely and effective supervision of the functioning and compliance of the Organizational Model, in accordance with the provisions of art. 6 of Decree 231 and, in particular, to perform the following tasks:

- verifying the effectiveness of the Organizational Model, i.e. its real - not merely formal - ability to prevent prohibited and unwanted behavior in principle, proposing - where deemed necessary - any updates to the Model, with particular reference to the evolution and changes in the organizational structure and / or business operations and / or current legislation;
- analyze the maintenance over time of the solidity and functionality requirements of the Organizational Model;
- verify the implementation of the control procedures envisaged by the Organizational Model;
- periodically, within the areas “at risk” of crime, checks on individual operations or deeds, with the help of the heads of the company departments involved from time to time;
- carry out, at any time, in the areas “at risk” of crime, sample checks on the actual compliance with the internal operating procedures and other existing control systems;
- handle information flows to the Board of Directors;
- monitor, also with the collaboration of the heads of corporate functions, the evolution of the corporate organization in order to assess the possible need to formulate proposals for updating the list of corporate areas “at risk” of crime;
- request the managers of each company area “at risk” of crime from the information deemed relevant in order to verify the effectiveness and adequacy of the Organizational Model;
- report to the Board of Directors the need to update and adapt the Organizational Model, where there is a need for correction and adjustment of the same, in particular in the event of significant violations of the provisions of the Organizational Model itself, significant changes to the internal structure of the Company, of the business activities or the related procedures for carrying out and regulatory changes. This activity must be carried out through:
  - suggestions and proposals for the adaptation of the Organizational Model to the corporate bodies or functions able to give them concrete implementation in the corporate structure, depending on the type and scope of the interventions;
  - verification (follow-up) of the implementation and effective functionality of the solutions.
- report any behaviors / actions not in line with the Organizational Model or Company Procedures to the Board of Directors and / or the competent departments for this purpose in order to allow the opportunity to assess the adoption of disciplinary sanctions against those responsible of hypotheses of violation of the Organizational Model and avoid the repetition of the event;
- monitor initiatives for the dissemination of knowledge and understanding of the Organizational Model, as well as draw up, with the support of the competent Functions, a training plan in order to provide Employees with all the elements necessary for a basic knowledge of the legislation pursuant to Decree 231, through the preparation of documentation internal suitable for the effective implementation of the Organizational Model, containing instructions for use, clarifications and possible updates of the same;
- interpret the relevant legislation (in coordination with the legal structure) and verify the adequacy of the Organizational Model with respect to these regulatory requirements;

- indicate to the management the appropriate additions to the management systems of financial resources (both incoming and outgoing), to introduce the measures necessary to detect the existence of any atypical financial flows characterized by greater margins of discretion with respect to what is ordinarily provided ;
- coordinate with the other company functions (also through specific meetings) for the best monitoring of the activities in relation to the procedures established in the Organizational Model.

In order to effectively carry out its functions, the Surveillance Body, in particular:

- has free access to all documents and all information from all the Company departments deemed necessary for the performance of the duties provided for by Decree 231;
- can use, under its direct supervision and responsibility, the help of all the functions of the Company or external parties (external consultants, auditing companies, etc.) without having to ask for authorizations.
- may request the managers of each business area “at risk” of crime to consider information that is relevant in order to verify the effectiveness and adequacy of the Organizational Model;
- may proceed, if necessary, to the direct hearing of the employees, Directors and members of the Company's Board of Statutory Auditors;
- may request information from external consultants, agents, financial and commercial partners, service providers, as well as auditors, as part of the activities carried out on behalf of the Company.

The control activities put in place may not be syndicated by any other company body or structure, without prejudice to the supervision of the Board of Directors on the adequacy of the interventions of the Surveillance Body.

In the event of violation of the Organizational Model committed by one or more members of the Board of Directors, the Surveillance Body promptly informs the Board of Statutory Auditors and all other directors. The Board of Directors proceeds with the necessary checks and, after consulting the Board of Statutory Auditors, takes appropriate measures. The Surveillance Body also has the power to call the Shareholders' Meeting in the event of serious violations of the Organizational Model and / or in the case of inaction by the Board of Directors and / or the Board of Statutory Auditors or in the event that the Board of Directors and / or the Board of Statutory Auditors does not provide information on any violations of the Model found and communicated by the Body itself.

### **7.8. Regulation of the Surveillance Body**

The Surveillance Body may adopt its own regulation prepared in accordance with the tasks provided for by law and / or entrusted to it by the Organizational Model, within which the procedures for convening and the training process must be defined and regulated, among other things decisions, the procedures for recording meetings and preserving the documentation relating to the activities carried out (minutes, specific reports or information, reports sent and received).

### 7.9. Annual Supervisory Plan of the Surveillance Body

The Surveillance Body must also adopt an annual supervisory plan, containing, among other things:

1. a program related to control and verification interventions planned during the reference year;
2. a program of meetings with the top management and / or with any future managers regarding the implementation of the Organizational Model in the respective areas of activity functions;
3. a program of meetings with the Board of Statutory Auditors and the person appointed to audit the accounts;
4. updating and training activities of the Surveillance Body;
5. communication and training activities on the Organizational Model;
6. updating activities of the Organizational Model.

### 7.10. Reporting of the Surveillance Body to the Top Management

The Surveillance Body reports to the Board of Directors and to the Board of Statutory Auditors on the implementation of the Organizational Model, on the emergence of any critical issues and communicates the outcome of the activities carried out in the performance of the tasks assigned:

- at least once a year, sending a report signed by the Chairman of the Surveillance Body regarding the activity carried out (indicating in particular the specific checks and verifications carried out and the results thereof, the possible updating of the Map of the Areas “at risk” and Sensitive Activities , etc.) and any critical issues that emerged in the performance of their duties;
- promptly, in the event of (i) extraordinary situations, such as hypotheses of violation of the principles of implementation of the Organizational Model or hypotheses of violations found in the context of specific operations or acts carried out by company areas “at risk” of crime, or (ii) legislative changes concerning the administrative liability of entities and (iii) corporate restructuring that relates to the scope of implementation of the Organizational Model.

The Surveillance Body, consequently to the verifications carried out, to the legislative and / or organizational changes that may have occurred, as well as to the verification of the existence of new processes at risk, proposes the adjustments to the Board of Directors (or to the subjects delegated for this purpose) and updates of the Organizational Model that it deems appropriate.

With regards to the verifications carried out following reports, the Surveillance Body will provide a written reply in the inspection report for which it is competent and, if deemed appropriate, in the periodic information to the Board of Directors.

The Board of Directors and the Board of Statutory Auditors have the right to call the Surveillance Body at any time, to discuss topics deemed of particular importance in the context of the crime prevention function.

Meetings between the Surveillance Body and Corporate Bodies must be documented in writing by drafting specific reports. The documentation of these meetings must be kept by the Surveillance Body itself.

The Surveillance Body must ensure the traceability and preservation of the documentation of the activities carried out (minutes, specific reports or information, reports sent and received).

### 7.11. Information flows to the Surveillance Body

The Surveillance Body must be informed by means of specific reports by the Recipients regarding relevant events for the purposes of the implementation and effectiveness of the Organizational Model and / or which could generate Italo's responsibilities pursuant to Decree 231.

As stated, pursuant to art. 6, paragraphs 2 and ss. of Decree 231, the Organizational Models must “provide information obligations towards the body in charge of supervising the functioning and observance of the models”, and in particular:

- a) *"one or more channels enabling [senior and subordinate subjects] to present, to protect the integrity of the entity, detailed reports of unlawful conduct, relevant pursuant to this decree and based on precise and agreed factual elements , or of violations of the organization and management model of the entity, of which they became aware due to the functions performed; these channels guarantee the confidentiality of the identity of the person reporting in the reporting management activities;*
- b) *at least one alternative reporting channel suitable to guarantee, with computerized methods, the confidentiality of the identity of the reporting party;*
- c) *the prohibition of retaliation or discrimination, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, with the alert;*
- d) *in the disciplinary system adopted [...], sanctions against those who violate the measures to protect the whistleblower, as well as those who carry out fraudulent or grossly negligent reports that prove unfounded.*

The Recipients will also be required to communicate to the Surveillance Body:

- the information and documentation prescribed in this Organizational Model and in the individual Company Procedures, as well as all the information useful in relation to the actual implementation of this Organizational Model; in particular, each corporate function, for its own area of competence, will provide all information on any changes that may influence the adequacy and effectiveness of the Model, actively cooperating with the Surveillance Body in updating the Model and its components , that is, by way of example, (i) information relating to organizational changes, (ii) updates of the delegation system, and (iii) reports and other control protocols put in place to implement the Model in line with Company Procedures;
- all behaviors that are in contrast or in contrast with or in any case not in line with the provisions of this Organizational Model, the Code of Ethics and the Company Procedures, as well as in general all the relevant illegal conduct pursuant to Decree 231;
- any other news or information concerning the Company's activity in the risk areas, which the Surveillance Body deems, from time to time, to want to acquire.

The type and frequency of the information to be sent to the Surveillance Body pursuant to the previous (i) are shared by the Surveillance Body itself with the managers of the company processes, which will comply with the agreed methods and times, such as among other things resulting by the Company Procedures from time to time applicable.

With regard to Partners, in the Code of Ethics - compliance with the principles of which will be referred to in the relevant contracts - there is an obligation to inform the Surveillance Body in the event that they become

aware of behaviors that could determine a violation of the Code of Ethics and , possibly, of the Organizational Model.

The reports must be addressed directly to the Surveillance Body by means of a specific written communication contained in a sealed envelope to be sent to the attention of the Surveillance Body at the Company's registered office, or using an IT platform (<https://whistleblowing.italospa.it/>) , or through another dedicated information channel, set up for this purpose by Italo and communicated to all Recipients. The Company and the Surveillance Body ensure that all means of communication are such as to guarantee the confidentiality of the identity of the informant in full compliance with current legislation. The Surveillance Body, at its discretion, will evaluate whether to accept reports made anonymously

The Surveillance Body will evaluate the reports received with discretion and responsibility. To this end, he / she will be able to listen to the author of the report and / or the person responsible for the alleged violation, motivating in writing the reason for any decision not to proceed. The supporting documentation, in the event that it is not in the possession of the Recipient, is sought by the Surveillance Body pursuant to its inspection powers.

The obligation to collaborate with the Surveillance Body falls within the broader duty of care and obligation of loyalty of the Employees referred to in Articles 2104 and 2105 c.c.

The violation by the Employees of the obligation to inform and cooperate with the Surveillance Body therefore constitutes a breach of the obligations of the employment relationship and / or a disciplinary offense, with every consequence envisaged by the law, the applicable CCNL and, in any case, from the Disciplinary System.

No type of retaliation can be carried out following and / or due to a report, even if the latter turns out to be unfounded, without prejudice to the hypothesis of fraud or gross negligence.

The Surveillance Body makes every effort to ensure that those who made the reports are not subjected to retaliation, discrimination or, in any case, penalties, thus ensuring the adequate confidentiality of these subjects (except for the recurrence of any legal obligations that impose otherwise).

The correct fulfillment of the obligation to inform and / or report by Employees cannot give rise to the application of disciplinary sanction.

## **8. INFORMATION AND TRAINING PROGRAMS**

Information and training are an essential tool for Italo for the effective dissemination and implementation of the Organizational Model. The Company ensures adequate dissemination of the Organizational Model to the Corporate Bodies, Employees and, where necessary, to Partners, or to subjects external to the corporate organization who, for various reasons, come into contact with the Company.

The information and training activity, diversified according to the Addressees to whom it is addressed and the levels and functions they perform, is, in any case, based on principles of completeness, clarity, accessibility and continuity, in order to allow the different Recipients the full awareness of those corporate provisions that they are required to respect and the ethical rules that must inspire their behavior. The information and training activity is supervised and integrated by the Surveillance Body, with the collaboration of the competent company departments, which are assigned, among others, the tasks of promoting and defining initiatives for the dissemination of knowledge and understanding of the Organizational Model, as well as for the training of the personnel and the sensitization of the same to the observance of the contents of the Organizational Model, and to promote and elaborate communication and training interventions on the contents of Decree 231, on the impacts of the legislation on the company's activity and on behavioral norms.

### **8.1. Information program**

For the purposes of the effectiveness of the Organizational Model, it is the Company's objective to guarantee adequate knowledge of the Organizational Model to the resources present in the company and to those in the process of being introduced, with a different level of detail in relation to the different level of involvement of the same resources in the Sensitive Activities.

Employees of Italo at the time of hiring will be made a declaration of compliance with the contents described in the Organizational Model and in the Code of Ethics.

Employees are guaranteed the ability to access and consult the documentation constituting the Organizational Model directly on the company intranet. Furthermore, each Employee must be able to obtain a digital copy of the Organizational Model.

As provided for Employees, members of the Corporate Bodies will be given a copy of the full version of the Organizational Model at the time of acceptance of the office assigned to them and will be made to sign a declaration of compliance with the contents of the Organizational Model itself. Suitable communication tools will be adopted to update the Employees about any changes made to the Organizational Model, as well as any relevant procedural, regulatory or organizational change.

Without prejudice to the above, each Employee and each member of the Corporate Bodies has the obligation to: (i) acquire awareness of the contents of the Organizational Model and participate - with compulsory attendance - in the training sessions organized by the Company; (ii) know the operating methods with which the activity must be carried out; (iii) actively contribute, in relation to its role and responsibilities, to the effective implementation of the Organizational Model, reporting any shortcomings or violations thereof.

The information activity with respect to the Organizational Model could also be addressed to subjects external to the company organization who, for various reasons, come into contact with the Company.

To this end, the Company, where necessary, will make its Partners aware of the Code of Ethics and the principles and rules contained in the Organizational Model, using the means most useful for the purpose (e.g.

information notes, attached to the contract). and in the applicable Company Procedures whose knowledge on the part of the Partners will be deemed appropriate.

Compliance with the provisions contained in the Code of Ethics, as well as in the principles and rules of the Organizational Model and in the processes contemplated by the Company Procedures that have been communicated to the Partner may be linked - having evaluated the subjective characteristics of the Partner and the circumstances of the negotiation - also through the 'possible inclusion in the contractual agreements of specific clauses aimed at protecting the Company in the event of non-compliance with the provisions (and thus, by way of example, indemnity clause, express termination clause, penalties, etc.).

## **8.2. Training program**

Italo pursues, through an adequate training program aimed at all Employees and Corporate Bodies, their continuous awareness of issues pertaining to the Organizational Model, in order to allow the Recipients of said training to reach full awareness of company directives and to be placed in full compliance with them.

In order to facilitate the understanding of the Organizational Model, Employees, with diversified methods according to their degree of involvement in the activities identified as sensitive pursuant to Decree 231, are obliged to participate in specific training activities in order to ensure adequate knowledge, understanding and dissemination of the contents of the Organizational Model and also disseminating a corporate culture oriented towards the pursuit of ever greater transparency and ethics.

The quality of the training interventions is pursued by the Company which, for this purpose, could make use of external consultants with specific skills in legal and organizational matters pertaining to Decree 231, whose competence will be attested by the relative curricular documentation subject to verification by the Surveillance Body as a preventive measure.

The Surveillance Body collects and files the evidence / attestations relating to the actual participation in said training interventions.

The contents of the training interventions are, in any case, constantly updated in relation to any interventions to update and / or adapt the Organizational Model.