



GENERALI INSURANCE ASSET MANAGEMENT S.p.A. SGR

# ORGANIZATIONAL AND MANAGEMENT MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01



## **GENERAL PART**

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## Definitions

<b>ABI Guidelines</b>	Guidelines for the construction of Organizational and Management Models pursuant to Legislative Decree 231/2001 adopted by the Italian Banking Association (as subsequently amended and updated).
<b>Addressees</b>	Employees and Corporate Bodies of Generali Insurance Asset Management S.p.A. SGR
<b>ASSOGESTIONI Guidelines</b>	Guidelines for constructing Organizational and Management Models pursuant to Legislative Decree 231/01, as adopted by ASSOGESTIONI, Associazione Italiana per il Risparmio Gestito as subsequently amended and updated.
<b>Bank of Italy</b>	The Bank of Italy is the central bank of the Italian Republic and is part of the European System of Central Banks (ESCB) and of the Eurosystem.
<b>Bank of Italy Regulation</b>	Implementation regulation of Articles 4- <i>undecies</i> and 6, paragraph 1, letters b) and c- <i>bis</i> ), of the TUF which entered into force on 4 January 2020 as subsequently amended and updated.
<b>Circular no. 285 of Bank of Italy</b>	Supervisory provisions for banks issued by the Bank of Italy with Circular no. 285 of 17 December 2013, and subsequent amendments and additions.
<b>Code of Conduct</b>	Document adopted by the Company that defines the fundamental rules of conduct to which the behavior of employees, members of the Management Body and third parties who interact with the Company must comply. The Code is supplemented by specific internal regulations that represent a set of minimum standards of conduct, in relation to specific areas (conflicts of interest, fight against corruption and extortion, work environment, diversity and inclusion, communication with certain external parties).
<b>Collaborators</b>	Independent contractors who work with the Company in various capacities (e.g. outside lawyers).
<b>Company</b>	Generali Insurance Asset Management S.p.A. SGR, with registered offices in Trieste (TS), Via Machiavelli, 4.
<b>Confindustria Guidelines</b>	Guidelines for the construction of the Organizational and Management Models pursuant to Legislative Decree 231/2001 issued by the Working Group on the administrative liability of the legal entities of Confindustria, approved in June 2004 and last updated in June 2021.
<b>CONSOB</b>	<i>Commissione Nazionale per le Società e la Borsa</i> (National Commission for Companies and the Stock Exchange).
<b>Consolidated Law on Health and Safety in the workplace</b>	Italian Legislative Decree no. 81 of 9 April 2008 concerning the implementation of Article 1 of Italian Law no. 123 of 3 August 2007 on health and safety in the workplaces, as subsequently amended and updated.
<b>Consultants</b>	Parties that act in the name and on the behalf of Generali Insurance Asset Management S.p.A. SGR. – by virtue of a contractual relationship or mandate.
<b>Corporate bodies</b>	The Board of Directors and the Board of Statutory Auditors of Generali Insurance Asset Management S.p.A. SGR and their members.
<b>Corporate Governance</b>	Body of principles, institutions, and mechanisms whereby the company adopts the most important decisions that are necessary for its functioning.

<b>Data Protection Authority (DPA)</b>	The Italian Data Protection Authority is an independent administrative authority established by the so-called privacy law (Italian Law no. 675 of 31 December 1996), then governed by the Italian Data Protection Code regarding the protection of personal data (Italian Legislative Decree no. 196 of 30 June 2003), as amended by Italian Legislative Decree no. 101 of 10 August 2018. The latter confirmed that the Italian Data Protection Authority is the supervisory authority also designated for the purpose of implementing the General Regulation on the protection of personal data (EU) 2016/679 (Article 51).
<b>Delegation</b>	Internal act of granting of functions, tasks and responsibilities. The “authorizing power”, understood as that power of approval, having an internal value and related to the exercise of a delegations closely related to the delegation.
<b>Employees</b>	Individuals with a subordinate employment relationship with Generali Insurance Asset Management S.p.A. SGR, including executives.
<b>Entities</b>	Organizations with legal personality, companies and associations, including those without legal personality.
<b>Executives</b>	Individuals, who, by virtue of professional expertise and hierarchical and functional powers adequate to the nature of their jobs, implement the employer’s instructions, by organizing working activities and overseeing them.
<b>Financial Intelligence Unit (“F.I.U.”)</b>	<i>Unità di Informazione Finanziaria (U.I.F.)</i> National structure responsible for receiving from liable parties, asking to them, analyzing and submitting to the competent authorities, information on alleged money-laundering or terrorist financing cases.
<b>Generali Group or Group</b>	Assicurazioni Generali S.p.A. and the companies controlled by it pursuant to Article 2359 paragraphs 1 and 2 of the Italian Civil Code.
<b>Generali Investments Holding S.p.A.</b>	The Company that acts as a holding company and holds the capital stakes of the boutiques and management companies of Generali Investments, also briefly referred to as “GIH” or “Holding Company”.
<b>Group Head Office or GHO</b>	Assicurazioni Generali S.p.A. controlling the other companies of the Generali Group through the ownership of shareholdings.
<b>Independent Supervisory Authority</b>	Authority set up for the protection of personal data (Italian Data Protection Authority), Italian competition authority (Antitrust), authority set up for the supervision of public services, etc.
<b>Inside information</b>	Regulation (EU) no. 596/2014 defines inside information as “ <i>information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments</i> ”.
<b>Instrumental activities</b>	Activities/processes of the Company that are potentially instrumental to offenses under the Decree being committed.
<b>Legislative Decree 231/2001 or Decree</b>	Italian Legislative Decree no. 231 of 8 June 2001, “Rules governing the administrative liability of legal persons, companies and associations, even without legal personality” as subsequently amended.

<b>Legislative Decree 231/2007</b>	Italian Legislative Decree no. 231 of 21 November 2007 concerning the prevention of the use of the financial system for anti-money laundering purposes of revenues deriving from illegal and terrorism activities, as last amended by Italian Legislative Decree no. 125 of 4 October 2019.
<b>Model</b>	Organizational and Management Model pursuant to Italian Legislative Decree 231/01.
<b>Offenses</b>	Offenses (crimes and breaches) as specified in Articles 24 <i>et seq.</i> of Italian Legislative Decree 231/01.
<b>Outsourcing contracts</b>	Agreement whereby one party (outsourcee or client) transfers to another party (outsourcer) some functions/activities needed to achieve the company purpose.
<b>Partner</b>	Contracting parties of Generali Insurance Asset Management S.p.A. SGR, such as suppliers, distributors, either natural or legal persons, with whom the Company has any form of collaboration regulated by some contract (temporary association of companies, consortia, collaboration in general).
<b>Person in charge of a public service</b>	A person who “in any capacity whatsoever performs a public service”, meaning an activity governed in the same manner as a public function, but characterized by the lack of the powers typical of the latter (Article 358 of the Italian Criminal Code).
<b>Posting</b>	Mechanism whereby an employer, in its own interest, places one or more workers temporarily at the disposal of another party (seconded) for the performance of a specific work activity.
<b>Power of attorney</b>	Legal act with which the Company assigns to a subject specific powers of representation for individual acts or categories of acts relating to the activities for which it is responsible; this act legitimizes the addressee to act against third parties, including the Public Administration.
<b>Public Administration</b>	This includes all government departments, including institutes and schools of all levels, educational institutions, businesses and government departments with autonomous legal status, regions, provinces, municipalities, mountain communities and their consortia and associations, academic institutions, autonomous council housing institutions, chambers of commerce, industry, handicraft and agriculture and their associations, all non-economic national, regional and local public entities, administrations, companies and institutions of the National Health Service.
<b>Public Body</b>	<p>Entity: (i) incorporated; (ii) set up to meet specific needs of general interest without any industrial or commercial purposes; (iii) alternatively mostly funded by Government, public territorial entities or other bodies governed by public law, or managed by the latter (by appointing more than half of the members of its Board of Directors, management or surveillance body).</p> <p>By way of example, these include:</p> <ul style="list-style-type: none"> <li>- Government administrations: Government, Parliament, Ministries, ordinary and accountant Magistrates, Consulates and Embassies, Prefecture, Central Police station, etc.;</li> <li>- Public Territorial Entities: Regions, Provinces, Municipalities; Local Health Authorities (ASL);</li> <li>- Regional Agencies for Environmental Protection (ARPA);</li> <li>- National Labor Inspectorate;</li> <li>- Social Security bodies (INPS, INAIL);</li> <li>- Customs Agency and Monopolies;</li> </ul>

- Italian Revenue Agency;
- Italian Society of Authors and Publishers (SIAE);
- Law enforcement (State Police, Police Force, including the Health Protection Unit (NAS), Fire Department, Italian Finance Police, etc.).

<b>Public Official</b>	A person who “exercises a public legislative, judicial or administrative function” (Article 357 of the Italian Criminal Code).
<b>Risk Assessment</b>	Method for identifying and analyzing risks.
<b>Risk Assessment Document (“D.V.R.”)</b>	Document ( <i>Documento di Valutazione dei Rischi - DVR</i> ) prepared by an employer containing a report of the risk assessment on health and safety in the workplace and the criteria for that assessment, the indication of the prevention and protection measures and the personal protection equipment resulting from that assessment, the program of the measures deemed advisable to ensure improvement of safety levels over time, the indication of the procedures for implementing the measures to be carried out, and the roles in the company organization assigned to that task, the name of the Head of the Prevention and Protection Services ( <i>Responsabile del Servizio Prevenzione e Protezione - RSPP</i> ), of the Workers’ Safety Representative ( <i>Rappresentante dei lavoratori alla sicurezza – RSL</i> ) and the competent doctor who participated in the risk assessment, as well as a list of the work activities that expose workers to specific risks requiring a recognized professional skill, specific expertise, and adequate training.
<b>Sensitive activities</b>	Activities of the Company that entail a real or potential risk of offenses under the Decree being committed.
<b>Surveillance Body or SB</b>	Internal control body responsible for overseeing the functioning, the compliance with and the update of the Model.
<b>Third parties</b>	Parties not belonging to Generali Insurance Asset Management S.p.A. SGR, with which the company has business relationships.
<b>TUF</b>	Italian Legislative Decree no. 58 of 24 February 1998, “Consolidated Law on Financial Intermediation “as subsequently amended and updated.

# GENERAL PART

## Foreword

### Legislative Decree 231/2001

On 8 June 2001, in compliance with the delegation contained in Italian Law no. 300 of 29 September 2000, the Italian Parliament issued Italian Legislative Decree no. 231 (hereinafter also “Decree”) containing “rules on the administrative liability of legal persons, companies and associations, even without legal personality”, by aligning the Italian laws on corporate liability to certain international conventions.

The entrance into force of the Decree introduced in the Italian legal system the “administrative liability” for legal persons resulting from the commission of specific offenses by:

- persons having representative, administrative or executive functions within one entity or one of its business unit having financial and functional autonomy, as well as by persons who *de facto* manage and control the entity (“individuals in senior positions” or “Senior Officials”);
- persons subject to the guidance or supervision of the individuals described above (so-called “persons subject to someone else’s supervision” or “Subordinates”).

In order to consider the entity liable, the Decree requires that:

- one of the “predicate offenses”, identified in the Decree, must be committed;
- the offense has been committed in the interest or for the benefit of the Entity

A form of exemption from liability is still envisaged when the entity demonstrates that it adopted and effectively implemented an “Organizational and Management model” suitable for preventing the commission of the criminal offenses covered by the Decree.

The criminal court has jurisdiction for administrative offenses committed by the Entity referred to in the Decree.

In principle, the jurisdiction of the Italian criminal court shall cover administrative offenses connected to “predicate offenses” which have been committed in whole or in part in Italy.

In particular, in accordance with the provisions of Article 6 of the Italian Criminal Code “The offense shall be deemed to have been committed on the territory of the State when the act or omission constituting the offense has been wholly or partially committed there, or when the event which is the consequence of the act or omission has occurred”.

These provisions are in fact aimed at extending the applicability of Italian criminal law also to offenses that were not fully committed in the territory of the State, as it is sufficient to establish the jurisdiction of the Italian criminal court that even only a ‘fragment’ of the offense (a part of the act or omission, or the event) occurred in Italy.

Pursuant to Article 4 of the Decree, the Italian criminal court is also competent to decide - in certain cases - in relation to administrative offenses connected with “predicate offenses” that have been committed entirely abroad, for instance by persons operating at branches of the Entity posted abroad or by persons who in any event operate on behalf of the Company outside the territory of the State.

Pursuant to Article 4 of the Decree, the Entity may in fact also be held liable for offenses committed entirely abroad if the following conditions are met:

- the Entity’s registered office is located in Italy;
- the State of the place in which the “predicate offense” was committed does not take legal action against the Entity;
- the citizen or foreigner may be punished, under Italian law, for offenses committed in a foreign territory, or when the cases and further conditions provided for in Articles 7, 8, 9 and 10 of the Italian Criminal Code are met;
- in cases where the offender is punished at the request of the Italian Ministry of Justice, such request is also made against the Entity.



# 1 The Organizational and Management Model of Generali Insurance Asset Management S.p.A. Asset Management Company

The Generali Group is one of the most important international insurance and financial groups.

**Generali Insurance Asset Management S.p.A. – Asset Management Company**, belongs to the Generali Group and it became operational on the 1 October 2018, following the reorganization of Generali Investments Europe S.p.A. Savings Management Company.

GIAM, whose assets managed include mainly financial resources of the Group and of third parties, is one of the leading asset management companies in Europe.

The Company has developed proven expertise in the management of multi-asset portfolios with a research-based approach and prudent risk management, aimed at protecting the capital invested and generating stable returns over the long term. It also specializes in Liability Driven solutions (LDI) and leverages its strong track record with the Generali Group insurance portfolios and pension fund mandates.

GIAM provides the asset management service in the forms of individual investment portfolio management and collective asset management, respectively.

Thanks to a consolidated local presence in the main European markets, the Company offers investors services at local level, ranging from institutional mandates to mutual funds domiciled in different countries, from customized solutions to consultancy.

With regard to the branches set up by the Company over time (German Branch and French Branch), when the Model was updated it emerged that the Company's organizational structure does not envisage a clear distinction between the activities carried out in Italy and those carried out in the individual foreign branches. In fact, the Company has opted for an organizational model in which the services offered are part of an integrated management system that affects all the Company's structures (Italy and foreign branches).

As far as internal regulations are concerned, these are also applied across the board both at central level and in the individual branches. The regulations adopted by the Company's Board of Directors are therefore also applied locally.

## 1.1 The Corporate Governance Model

Given the special nature of its organizational structure and of its business activities, Generali Insurance Asset Management S.p.A., SGR adopted the so-called "traditional system", basing its corporate governance system on few key principles such as the central role assigned to the Board of Directors, the proper management of conflicts of interest, transparency in the disclosure of company management decisions and the efficiency of its Internal Control System.

As per the Company's Articles of Association, the Company translated those principles into the activity performed by the following main corporate Bodies:

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

The **Shareholders' Meeting** (hereinafter also "Shareholders' Meeting"), duly attended, is the corporate body whose resolutions constitute and express the shareholders' intents, on areas within its competence.

The **Board of Directors** (hereinafter also the "Management Body" or the "Board") has the broadest management powers to achieve the corporate purpose. It appoints a Chairman and may also appoint one or more Managing Directors. It determines the powers and remuneration of these corporate bodies. According to the Articles of Association, the Shareholders' Meeting decides on the number of members of the Management Body which cannot be less than three and no more than fifteen members.

With regards to asset management services, the Board of Directors has the competence and responsibility regarding the directives on business and management strategies and the business development plans.

As regards the performance of the collective management service, the general investment strategies of all the managed assets, with reference to their risk-return profile as well as the control activity regarding their actual implementation, are the responsibility of the Board of Directors, which approves the terms and conditions of the investment process and

periodically assesses their adequacy.

As regards, on the other hand, management on an individual basis, the Board of Directors approves the investment process and verifies its adequacy on an annual basis. The Board of Directors is also responsible for deciding on the establishment of new asset management products, on the proposal of the Chief Executive Officer, as well as the approval of Regulations for Mutual Investment Funds.

The **Board of Statutory Auditors** appointed by the Meeting, oversees compliance with the law and the Company's Articles of Association and has management control functions. It consists of three statutory auditors and two alternate auditors who must meet the same independence requirements for the appointment of independent directors.

The statutory audit function of the accounts is entrusted to an **Auditing Firm** included in the specific register and appointed by the Shareholders' Meeting.

It should also be emphasized that the principles of organization, management and control on which the governance structure is based are also an expression of the requirements and recommendations of the supervisory authorities to which the company is subject in its area of operations, including, but not limited to, CONSOB, Bank of Italy, Italian Data Protection Authority, Italian Competition Authority, etc.

## 1.2 The Internal Control System

The Company must comply with a legislative and regulatory framework that defines the main principles of its governance system.

The governance system, as well as the internal control and risk management, must be effective and well-integrated in the organizational structure and in the decision-making processes.

The Board of Directors plays a primary role within the system, with the support of the Board of Statutory Auditors and any Committees where established. The system is based on the creation of "three lines of defense":

- the operating functions ("**Risk Managers**") that represent the "first level of defense" and have the final responsibility for the risks associated with their areas of responsibility.
- the corporate control functions such as the **Asset and Wealth Management Compliance, Risk Management** and similar functions, such as the **Asset and Wealth Management Anti Financial Crime** function, which represent the second line of defense;
- the **Asset and Wealth Management Internal Audit** function, which represents the "third level of defense".

The minimum requirements for the establishment of the internal control system are represented by the internal control environment, by the internal control activity, by awareness and by monitoring and reporting.

The Board of Directors is ultimately responsible for the governance system, internal control and risk management system and relevant applicable regulations, Guidelines and Internal Control and Risk Management Policies.

The Board of Directors is ultimately responsible to ensure compliance with the applicable laws, regulations and norms, including those resulting in accordance with directive of the Supervisory Authorities.

To perform the tasks addressed by laws and Group Directives to the Board for the internal control and risks management system, the Board may be supported by the Risks Committee, the Nominations Committee, and by the Remuneration Committee, an advisory committee that deals with formulating opinions and proposals to the Board of Directors regarding the remuneration of relevant personnel and overseeing the correct application of the rules relating to the remuneration of the heads of Internal Control functions, in close collaboration with the Board of Statutory Auditors.

The Chief Executive Officer is responsible for implementing, maintaining and monitoring the Governance System according to the Board of Directors' Directives.

The Senior Management, both individual and Group level, supports the Chief Executive Officer in the implementation of its mandate.

The Chief Executive Director, in managing the most significant risks, may request the support of specific management committees. In this context, the Company has established both Executive and Advisory Committees (in addition to the Remuneration Committee described above).

### Executive Committees

- Investments Committee (IC), executive committee that defines the guidelines for Tactical Asset Allocation (TAA) through the implementation of specific market strategies for asset classes.

### Advisory Committees

- Product Approval Committee (PAC), an advisory committee responsible for developing and sharing any Company initiative on new products and for developing and maintaining existing products.
- Investments Risk Committee (IRC), an advisory committee that monitors and monitors the relevant investment risk and defines the remediation plans.
- Operational Risk Committee (ORC) advisory committee that oversees and monitors the relevant operational risk and defines the remediation plans.
- Pricing Committee, advisory committee whose role is to oversee and monitor valuation risks and to define any action plans.

Furthermore, for the purposes of this Model, the following qualifying System elements are particularly important:

- management control and financial flows control;
- accounting control system;
- IT systems;
- outsourcing contracts;
- elements of preventions and general principal of behaviors in compliance with Legislative Decree 231/2001.

### 1.3 Construction of the Model

In 2006 Generali Investment Europe S.p.A - Asset Management Company has adopted, following the Board of Directors resolution, an Organizational and Management Model in accordance with Article 6 of Legislative Decree no. 231, dated 8 June 2001, and its various updates.

In particular, in relation to the corporate transactions that involved GIAM S.p.A. SGR, effective as from 1 October 2018, with a view to continuous improvement and updating, the Company carried out a comprehensive review of its Organization and Management Model approved by resolution of the Board of Directors of 25 June 2019.

During 2020, a further integration was carried out in order to incorporate the epidemiological risk within the Special Part of the same, dedicated to crimes in the field of Health and Safety in the Workplace (OSH).

Subsequently, in 2021, following the consolidation of the regulatory framework relating to the inclusion of tax offenses in the "catalogue" under Legislative Decree no. 231/2001, the Model was supplemented with a Special Section ("M") dedicated to tax offenses.

During 2022 the Model was again updated, firstly in February, focusing in particular on the operations and control systems of the branches set up by the Company, and subsequently in October by incorporating the regulatory changes that had occurred in relation to the offenses of money laundering, market abuse, offenses relating to payment instruments other than cash, and offenses against cultural heritage.

From a methodological viewpoint, reference was made in updating the Model to the Guidelines issued by the Bank of Italy, ASSOGESTIONI, ABI and those issued by Confindustria, as well as to best practices regarding the administrative liability of entities (corporate criminal liability) and the main legal and judicial guidelines available. Account was also taken of the new types of offenses that have gradually been introduced into Decree 231/2001.

The results of the Risk Self-Assessment activities carried out and the organizational changes that have occurred over time were also considered. Therefore, the corporate and sectorial context in which the Company operates, the current corporate governance system and the available internal documentation were examined in depth: the Code of Conduct, the regulations defined within the "Internal Regulations" framework, the operating instructions and/or internal manuals.

The methodological approach adopted is based on simplicity and integration with the existing control system, aimed at making it as easy as possible for the addressees to read and understand, guaranteeing a high degree of customization with respect to the specific business of the Company.

In this context, steps were taken in relation to:

- the identification, in compliance with the Group Value Chain Asset Management of the company processes, of the sensitive activities in which it is possible to conceive that predicate offenses indicated in the Decree may be committed. To this extent, the Managers of the Corporate Functions were interviewed, the internal organization charts, the system of division of responsibilities (so-called Roles & Mandates), as well as of the processes and internal procedures referable to these sensitive activities were analyzed;
- the self-assessment of the risks of commission of offenses (so-called Risk Self-Assessment) by the various risk owners;
- the identification and assessment of the control measures necessary for the prevention of the offenses referred to in the Decree and deemed applicable to the Company.

A Risk Self-Assessment matrix has been developed in order to continuously update the mapping of sensitive and/or instrumental activities with respect to each company process considered critical pursuant to Decree 231. This matrix contains several sections, which can be summarized as follows:

- 1) sensitive/instrumental activities, linked to the processes of the Group Value Chain Asset Management;
- 2) indication of the functions that manage the sensitive/instrumental activity under analysis and reference to any possible outsourcers;
- 3) indication of the categories of predicate offenses, including examples of possible offenses and potential unlawful behaviors related to them for each sensitive activity
- 4) indication of the assessment of the inherent risk, divided into the components of the likelihood of occurrence and its potential impact
- 5) indication of the main control measures to mitigate the inherent risk, assessment of the internal control system and assessment of the residual risk.

The Model is one the Company's internal regulation and, as such, is binding on the Company.

The Addressees of this Model are required to comply with the provisions contained herein, even when the sensitive activities identified in the Special Part are carried out and/or performed at the service of other Generali Group companies, by virtue of specific contractual clauses included in outsourcing contracts.

## **1.4 The Structure of the Model**

The Organizational and Management Model pursuant to Legislative Decree 231/2001 (hereafter the "Model") is composed of a General Part, a Special Part, divided in different Sections.

In compliance with the Decree, a suitable disciplinary system is issued to sanction compliance failure of measures stated in the Model (see Chapter 4).

It should be noted that, as far as the foreign branches are concerned, some provisions contained in this Model, in particular as regards the aspects relating to the principles of conduct and the sanctioning system, are applicable where they do not conflict with the local laws and regulations which in any case supplement the provisions of the Model itself.

### **General Part**

The General Part, in addition to explaining the rationale and the principles of the Decree, the Governance Model and principles of the internal control system of the Company, outlines the building blocks of the Model, including the role of the Surveillance Body, (hereinafter also the "SB"), which supervises the functioning of the Model, the compliance with it and its updating needs.

The Model of Generali Insurance Asset Management S.p.A., SRG has to be considered together with the following components of the internal control system which contribute to reinforce the control system pursuant to the Decree:

- Code of conduct and relevant internal regulations (Chapter II, paragraph 1);
- Organizational system (Chapter II, paragraph 2);
- Power of attorney system (Chapter II, paragraph 5);
- Internal System of Rules (Chapter II paragraph 6)
- Management control and financial flows control (Chapter II, paragraph 7);
- Control measures in compliance with Legislative Decree 231/01 (Chapter II, paragraph 8);
- Communication of the Model and training (Chapter II, paragraph 9).

### **Special Part**

The Special Part is divided in several Sections each one representing a group of offenses considered relevant for the company. The offenses as identified by the Decree and potentially applicable to the Company were identified through a Risk Self-Assessment activity, taking also into consideration the operating sector, the Company structure and processes.

To this end, each Section of the Special Part includes:

- the analysis of each offenses of the Decree from a legislative perspective;
- the identification of the sensitive activities whereby the offenses could be committed, as well as some examples of the relevant modalities regarding their commission;
- the general standards of behavior to which the addressees of the Model should be guided;
- the specific preventions measures (so-called "preventive controls"), associated with the business functions involved

in each of the sensitive activities and possible other control measures applicable to contribute to the prevention of the commission of the identified offenses;

- the internal regulatory measures adopted in relation to individual sensitive activities.

In detail, the Special Part Sections are the following:

- Section **A**, referring to offenses against the public administration (Articles 24 and 25 of the Decree) or corruption between private parties (Article 25 of the Decree), as well as the offense of fraud in sports competitions (Article 25-*quaterdecies* of the Decree) as well as offenses against cultural heritage (Article 25-*septiesdecies*);
- Section **B**, referring to IT criminal offenses (Article 24-*bis* of the Decree) and offenses relating to non-cash payment instruments (Article 25-*octies. 1* of the Decree);
- Section **C**, referring to organized criminal offenses (Article 24-*ter* of the Decree) and transnational crimes (Article 10 of Italian Law Decree no.146 of 16 March 2006);
- Section **D**, referring to crimes regarding counterfeiting: currency, bonds, revenue stamp and identification instruments or signs Article 25-*bis* of the Decree);
- Section **E**, referring to corporate offenses (Article 25-*ter* of the Decree);
- Section **F**, referring to market abuses (Article 25-*sexies* of the Decree);
- Section **G**, referring to the crimes of manslaughter and serious or very serious injuries committed violating the laws on the protection of health and safety in the workplace (Article 25-*septies* of the Decree);
- Section **H**, referring to crimes such as: handling stolen goods, money laundering and its use as well as self-money laundering and use of goods or benefits deriving from illegal activities (Article 25-*octies* of the Decree) and crimes of terrorism or subversion of the democratic order (Article 25-*quater* of the Decree);
- Section **I**, referring to offenses related to copyright violations (Article 25-*novies* of the Decree);
- Section **J**, referring to inducement not to issue statements or to issue false statements to judicial authorities, (Article 25-*decies* of the Decree);
- Section **K**, referring to environmental crimes (Article 25-*undecies* of the Decree);
- Section **L**, referring to crimes of employing third-country citizens with irregular work permits (Article 25-*duodecies* of the Decree), as well as crimes against individuals, included the crimes described in Article 603-*bis* of the Italian Criminal Code “unlawful intermediation and labor exploitation” (Article 25-*quinquies* of the Decree).
- Section **M**, referring to tax crimes (Article 25-*quinquiesdecies* of the Decree).

In relation to the types of criminal offenses listed above, the general control measures are applied. These measures are those described in the General Part, as well as those described in the Special Part and referred to as general standards of behavior and preventive control measures.

As concerns crimes against industry and trade (Article 25-*bis. 1* of the Decree), female genital mutilation practices (Article 25-*quater 1*), racism and xenophobic crimes (Article 25-*terdecies*) and smuggling (Article 25-*sexiesdecies*) as well as the offense of devastation and looting of cultural and landscape heritage (Article 25-*duodicies*), it was considered that, in the light of the Company’s core business, its socio-economic context and its usual legal and economic relationships with third parties, there are no reasons to believe that the Company could face the risk of committing these crimes in its interest or benefit. In this regard, however, steps have been taken to guard against the risks related to the aforementioned offenses by including appropriate principles of conduct in the Code of Conduct, which in any case bind the addressees to respect essential values such as solidarity.

## 1.5 Addressees of the Model

The addressees of the Model (hereinafter “Addressees”), meaning those who undertake to comply with its contents, are:

- those who perform – even *de facto* – functions of representation, management, administration, executive or control of the Company or its units, (including individuals operating in foreign branches);
- Company employees and contractors at any level and with any type of contractual relationship, even if abroad or in other companies of the Generali Group (including individuals operating in foreign branches);

The Addressees are required to fully comply with all the provisions of the Model (General and Special Part) and the Code of Conduct as well as fulfilling the obligations of fairness and diligence deriving from legal relationships with the Company.

In addition, the funding principles of the Model or some of its parts, for the aspects falling within its competence, by virtue of specific contractual clauses, bind third parties through specific contract terms (e.g. service providers, business partners, consulting firms), even if they do not belong to the company but because they work on its behalf or interest.

## 1.6 Adoption of the Model within Generali Group

Within corporate groups, the principles of the autonomy and liability of each company remain valid.

Consequently, each Company belonging to the Generali Group is required to adopt its own Model and identify its own Surveillance Body. However, within the Group, unique forms of conduct can be adopted, if they comply with the particular characteristics of the various lines of business of each company.

In line with this strategy, Assicurazioni Generali S.p.A. and the companies controlled from it either directly or indirectly – the Generali Group companies – subject to the Decree, adopted their own Organizational and Management Model in line with the requirements of such Decree.

Each Group Company, through the support of the Group unit 231 “Corporate Criminal Liability” of GBS S.C.p.A., ensures the adoption and periodic updating of the Organizational and Management Model.

# 2 Components of the Organizational and Management Model

## 2.1 Code of Conduct

The Code of Conduct defines the fundamental rules of conduct with which the conduct of all employees, members of the Management Body and third parties interacting with the Company must comply.

In particular, the Code of Conduct governs relations between colleagues, with clients, with competitors, with suppliers and with other stakeholders: it defines the rules to be followed in order to ensure correctness and social responsibility in business management, the protection of the working environment and the promotion of diversity and inclusion, the protection of the Company’s assets, the control of conflicts of interest, the fight against corruption and bribery, relations with clients, the management of relations with competitors, the selection of suppliers, financial reporting, the prevention of money laundering and the financing of terrorism, as better detailed in the specific internal regulations.

The provisions of the Code of Conduct supplement the Model and any violation thereof must be promptly reported in accordance with the requirements of the Model (see below) and may be subject to the application of the penalties indicated in this General Section.

All the addressees of the Code of Conduct are responsible for being aware and complying with the same and of the other internal rules pertaining to the activity carried out.

In addition, third parties acting on behalf of the Company (consultants, suppliers, etc.) shall also comply with the standards contained in the Code of Conduct.

Although the Model and the Code of Conduct have different functions, they are drafted according to common principles and rules, in order to create a set of consistent and effective internal rules.

## 2.2 Organizational system

The organizational system of Generali Insurance Asset Management S.p.A. SGR is characterized by a precise definition of competences and tasks of each business area, hierarchical relationships and related liabilities.

The documentation that the Company uses to represent its organizational system and to govern its operating mechanisms, also in connection with sensitive activities in accordance with the Organizational and Management Model, includes the following:

- organizational charts;
- documents describing key roles and responsibilities (Roles & Mandates, Internal Memorandum and other documents);
- *outsourcing* contracts with third parties, including intra-group, through which the company outsources to external structures, entire processes or parts thereof.

For a complete and organic overview of the Company’s organizational system, please refer to the information published on the intranet of the Company.

## 2.3 System of remuneration and incentives

An important component of the Company organizational system is the remuneration and incentive system for all the Company's employees and for those who, though not employed by it, work under a mandate from or in the interest of the same Company.

The Company's system of remuneration and incentives is designed, first of all, to remunerate the role held, taking into account the responsibilities assigned and the skills and capabilities demonstrated. Secondly, the system is aimed at rewarding the results obtained consistently to the behaviors shown in order to achieve them, which must constantly comply with the applicable laws, regulations, Code of Conduct, Model and existing procedures, as well as towards an accurate risk assessment and a re-setting of the related actions based on a longer time period, in order to achieve results in the short and in the medium-long term.

In other words, the Company has adopted a system which provides for reasonable goals, enhancing the qualitative and behavioral elements of employees' performances and aimed at rewarding not only quantitative results but also the ability to express organizational skills through behaviors based on the values expressed in the Code of Conduct.

These principles are also addressed, to the extent applicable, to individuals acting on behalf or in the interest of the Company.

## 2.4 Outsourced processes

In relation to the outsourced activities, the Company has implemented various control processes to monitor and ensure adequate supervision of the same, according to a risk-based approach. In particular, companies can conclude outsourcing agreements, but it is understood that, where outsourcing is carried out, these do not in any case exempt the Corporate Bodies and the Top Management of the company from their respective responsibilities.

The Company has established, as part of the "Outsourcing Policy", the policy for the outsourcing of corporate activities, indicating:

- the criteria for qualifying activities as operative or important, in addition to the provisions contained in the Joint Regulation;
- the criteria for identifying the activities to be outsourced;
- the criteria of professionalism, good repute and financial capability applied to the selection of suppliers;
- the methods for evaluating the suppliers' performance level (service level agreement or "S.L.A.") and frequency;
- the emergency plans of the company and relevant procedures, including exit strategies in cases like the *outsourcing* of essential or important functions and activities;

Moreover, the "Outsourcing Policy" is aimed at:

- defining the compulsory minimum standards for managing outsourcing;
- defining their responsibilities;
- ensuring compliance with the requirements of Supervisory Authority Guidelines and of the abovementioned Joint Regulation;
- ensuring adequate control measures and monitoring of outsourcing activities.

The "Outsourcing Policy" is applied to the outsourcing contracts which regulate relations with both third-party companies and with companies belonging to Generali Group which provide services to Generali Insurance Asset Management S.p.A. –SGR. In particular, this operating Procedure is aimed at implementing the rules and principles envisaged by the Outsourcing Group Policy for the monitoring and supervision of outsourced activities, with the exclusion of portfolio management services.

The Policy also provides the principles to be followed with reference to outsourcing initiatives pursuant to the applicable law.

For any new activity, or changes to any existing outsourcing contracts, the Outsourcing Business Referent (hereinafter also "OBR") is required to carry out (and duly formalize) a preliminary assessment aimed at establishing whether or not the outsourced activity can also be considered as "operational or important" pursuant to the applicable law and the Joint Regulation.

With regard to the administrative liability of entities and in order to define its extent, it is also envisaged that through said contracts the parties shall mutually acknowledge that they have each adopted an Organizational and Management Model

pursuant to the Decree as subsequently supplemented and amended, and to regularly monitor and update their respective models, taking into account relevant regulatory and organizational developments, in order to ensure a broader protection of their respective companies.

With specific regard to the activities managed through outsourcing contract, parties commits one another to:

- strictly comply with their own Models adopted pursuant the Decree;
- refrain in the performance of the activities covered by the contractual relations from the behaviors and conducts that individually or jointly could lead to an offense provided for in the Decree;
- reciprocally communicate any infringements, which could happen or could be relevant to the contract and/or its performance.

## 2.5 System of powers

The Internal Control and Risk Management System of the Company is also based on a formalized structure of powers that is an integral and substantial part of this Model and, as such, is appropriately notified within the Company.

Powers are strictly connected and consistent with the organizational and management responsibilities assigned and defined by specific value boundaries.

In accordance with the provisions of the Articles of Association, through which assigns the legal representation of the Company to employees and third parties for areas of competence or for the activities carried out on behalf of the Company, the Company assigns specific authorization powers and powers of representation (i.e. powers of attorney), which are entered in the Register of Companies with which the Company has its registered office

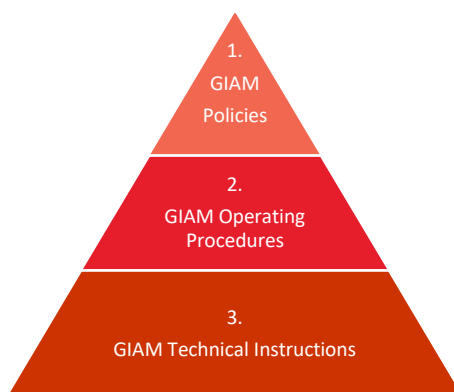
With reference to the assignment of delegations and authorization powers, the Management Body delegates powers to the Chief Executive Officer, who exerts his/her power of sub-delegation determining in advance its modes and limits; in particular, the delegations are assigned or changed according to the mechanism of “cascading delegations” whereby the Chief Executive Officer grants each one of his/her direct reports the necessary powers and responsibilities for performing the roles assigned to them, with the option of delegating part of those powers and responsibilities to those who play directly subordinated roles and so forth, in a cascading fashion.

In some regulatory areas such as: Health and Safety in the Workplace, Privacy and Anti-Money Laundering, ad hoc delegations/power of attorney are provided for people in charge of their control.

## 2.6 Internal Regulatory system

The Company issued, through a specific internal regulation, the “Internal Regulations Policy”, which defines the hierarchy and the main characteristics of internal regulations, as well as to identifying the roles and responsibilities of those involved in their life cycle (drafting, updating, validation, approval, communication, implementation and monitoring).

This Policy applies to Generali Insurance Asset Management S.p.A SGR and is read in accordance with the framework of the Generali Group’s internal regulatory system, at the same time defining the hierarchy and the main features of the internal regulations that are substantiated in:



The GIAM Policies - subject to the approval of the Company’s Board of Directors contain high-level principles aimed at achieving fundamental objectives for the Company and / or the issuing of provisions related to the Internal Control and Risk Management System. The GIAM Policy, following their approval by Generali Insurance Asset Management S.p.A.



Asset Management Company, are subject to the approval of the competent administrative, managerial and surveillance Bodies, taking into account any necessary exceptions deriving from reasons of conflict with local regulations.

The GIAM Operating Procedures, subject to the approval of the BoD and the CEO, aim to define in detail and implement the provisions introduced by the Policies, identifying operational roles, responsibilities, phases and information flows concerning the activities of interest carried out in the scope of one or more corporate functions or in the context of a process or a part thereof.

The GIAM Technical Instructions, subject to the approval of the Head of Area / Organizational Structure, aim to regulate in detail specific processes / activities / services of a single operating procedure.

For a complete and organic representation of the Company's internal regulatory system, reference can be made to the information published on the Company's intranet.

## **2.7 Management and financial flows of control**

Financial flows are managed in compliance with the principles of traceability of transactions and of consistency with the assigned powers and responsibilities.

The management control system of the Company includes mechanisms for checking the management of resources that must ensure the verifiability and traceability of expenses with the following objectives:

- clearly, systematically and recognizably indicate the resources - financial and non-financial - available to the single functions and organizational units and the scope within which those resources may be employed by scheduling and drawing up the budget;
- detect any deviations from the planning content, analyze their causes and report the results of the assessments to the appropriate hierarchical levels for the required adjustments, by preparing the final balance statements;
- promptly detect, through monitoring activities, any process anomalies in order to conduct the necessary analyses and take any corrective actions.

In order to achieve these goals, the duly formalized planning process ensures:

- the participation of a number of authorized individuals in the determination of the available resources and areas of expenditure, with the objective of ensuring the constant presence of cross checks and audits for a given process/activity, as well as adequate segregation of the functions and constant monitoring of any deviations;
- the adoption of appropriate and homogeneous procedures for the economic enhancement of initiatives in order to be able to compare the economic values of various corporate organizational units;
- the adoption of plans to identify the best corrective strategies.

The activities connected with management control ensure constant verification of the consistency of revenues with actual expenses and of the commitments undertaken in the planning phase.

If the analyses and/or the requests for authorization show deviations from the budget or abnormal, unjustified expenses, the organizational unit responsible for management controls is required to inform the senior management and – if considered significant under the Decree – the Surveillance Body.

The Generali Group has put in practice an internal control system for economic and financial statement that expects regular follow-up activities to verify the reliability and the real efficacy of the checks as defined by Italian Law 262/2005. This law aims at guaranteeing the completeness, accuracy and transparency of the information intended for the financial market.

Under the above mentioned legislation with regard to savings protection and financial market regulation, Generali Group S.p.A. has appointed a Manager in charge of preparing the company's financial account.

The Manager in charge, by accomplishing its duties, contributes to the effectiveness of the overall internal control over financial reporting with the aim to reduce the financial reporting risks.

The Generali Group also established the role of Local Financial Reporting Officer (FRO), in the Group Companies which are considered significant.

Focusing on GIAM, the Local FRO is accountable for the deployment within GIAM of the Group internal regulations on the matter.

The Company has outsourced to Generali Investments Holding S.p.A. the activities related to the Support of the Local Financial Reporting Officer in charge of preparing the local financial documents, through a Service Letter Agreement, but remains fully responsible for the performance of all their services.

The Local Financial Reporting Officer - who in the Company is the manager of the Finance Function - is appointed, subject to an agreement with the Financial Reporting Manager, by the CEO of GIAM S.p.A. SGR and has the task of implementing the "Local Financial Reporting Officer Activities Procedures" and the consequent operating procedures in coordination with what is defined by the Financial Reporting Manager in compliance with internal regulations.

The Company Top Management, based on the Parent Company directives, must sign a certification letter (so-called "Confirmation Letter") with the aim of ensuring the following minimum requirements:

- the Company statement of the economic and financial situation and its asset position, disclosed by Assicurazioni Generali S.p.A. every fiscal closing, must be exhaustive, promptly, accurate, truthful and conform with the Group accounting principles and methodologies;
- the statement must comply to its legislation and the Group audit manual issued by Assicurazioni Generali S.p.A.;
- the accounting and administrative procedures as the internal control must be adequate, regarding the financial statement related to the Financial Reporting Manager and the adequacy of the organizational, administrative and accounting structure.

Additional information, related with the financial resources and budget management, is available in the specific Sections of the Special Part.

## 2.8 Control measures as per Legislative Decree 231/01

The Company's objective is to implement an effective system of preventive controls that can only be circumvented intentionally, also to exempt itself from any administrative liability.

That said, this Section illustrates the criteria for selecting the control measures that can prevent the risk of crimes indicated in the Decree. There are **three levels** of measures:

- **General control principles** that, regardless of the degree of significance of the individual types of crime or the degree of risk underlying each area "at risk", form the basis of the choices to be made while designing the internal control system:
  - **Segregation of activities:** there must be segregation of activities between those who execute, those who control, and those who authorize the transactions<sup>1</sup>;
  - **Existence of formalized norms and rules:** there must exist company directives that can provide at least general reference principles for regulating activities, responsibilities and controls;
  - **Existence of delegations and powers of attorney:** there must exist formalized rules for exercising delegations and powers of attorney, as provided for by paragraph 5 of this chapter;
  - **Traceability:** the individuals, functions/organizational units concerned and/or the information systems used must ensure the identification and reconstruction of sources, informative elements, and controls that support the formulation and implementation of Company decisions and the procedures for managing financial resources;
  - **Filing/storing of the documents:** the documents regarding the Company activities must be always stored and kept by its responsible facilities to prevent subsequent amendments not specifically highlighted and to allow the access only to competent authorities according to internal norms and surveillance bodies.
  - **Confidentiality:** the access to already stored documents, mentioned in the previous point, is permitted to the person in charge of the function and to its proxy. It is permitted to the surveillance body in charge too, such body could be the audit board, the audit firm, SB components, etc.
- **General principles of conduct**, that contain special provisions governing the way decisions are taken and implemented within each of the categories of crime considered significant;
- **Specific control measures**, aimed at preventing crimes from being committed in each of the "sensitive activities" for each of the areas "at risk" mapped and indicated in the Sections of the Special Part of this Model.

A further level of control is represented by specific internal regulations prepared and issued for 231 purposes and included in the internal regulatory system.

In addition to these rules, all the Policies, the Technical Measures and the Operating Procedures issued under the "Internal Regulation Policy" system and relevant from the point of view of Legislative Decree 231/2001 are an integral part of the Model itself.

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<sup>1</sup> The following qualification is attributed to the principle: segregation exists in the presence of codified, complex and structured systems where the individual phases are coherently identified and regulated in the management, with consequent limitation of applying discretion, as well as traced in the decisions taken.

Violation of the provisions included in these regulations, insofar as they are referred to in the Model, may be sanctioned in accordance with the provisions set out in Chapter 4 below (Disciplinary System).

## 2.9 Communication of the Model and training

In order to effectively implement its Model, Generali Insurance Asset Management S.p.A.- SGR ensures proper dissemination of its content and principles within and outside its organization.

In particular, the Company's goal is to extend the dissemination of the contents and principles of the Model not only to its employees but also to individuals who, although not formally employed, work, even occasionally, to achieve the objectives of the Company by virtue of contracts and over whom the Company can exercise its guidance and supervision.

The Model is formally provided:

- to the Directors and Statutory Auditors by making it available also during the meetings held to approve the Model itself;
- to Company personnel by means of publication on the Company's intranet;
- to third parties, following a case-by-case modality according to the type of counterparty.

In particular, it is the duty of the Surveillance Body to promote the dissemination of the Model and monitor all the information activities of the Addressees, including through the promotion of specific initiatives and specific information plans aimed at encouraging adequate knowledge and awareness of the Model and procedures connected to it.

In addition to activities related to the information of the Addressees, the Surveillance Body of the Company has the task of defining and promoting the periodic and constant training of personnel, monitoring the implementation of the proposed initiatives. The same has the right to request periodic checks on the level of knowledge of Employees in relation to the Model.

The principles of the Model, those of the Code of Conduct that is part of it, are illustrated to company personnel through specific training activities, which participation is mandatory and whose execution methods are submitted for approval to the Surveillance Body through preparation specific plans implemented by the Company.

Furthermore, in order to facilitate the understanding of the Model, the Company organizes various training paths based on the analysis of skills and training needs, also dedicated to specific categories of recipients: the employees in general, the employees who work in specific sensitive activities, the Surveillance Body, the directors, etc. The training activities can be provided through e-learning courses and/or courses to be held via the classroom/ webinar. To complete the training activities, it will be necessary to complete questionnaires to verify their understanding. Classroom/webinar training is provided by experts in the subjects covered by the Decree.

Training for the implementation of the Model is mandatory for all addressees as identified in Chapter 1, paragraph 5 "Addressees of the Model".

## 3 Surveillance Body

### 3.1 The Surveillance Body of Generali Insurance Asset Management S.p.A. SGR

#### Appointment and composition

Legislative Decree 231/01 provides for the establishment of a Surveillance Body within the Entity (hereinafter also the "SB"), vested with autonomous investigation and control powers, which is specifically assigned the task of supervising the functioning of and compliance with the Organization and Management Model and ensuring that it is updated.

In compliance with the provisions of Article 6, par. 1 b) of the Decree and of the sector-specific Guidelines (e.g. ASSOGESTIONI, ABI, CONFINDUSTRIA), the Company identifies the Surveillance Body as a joint body appointed by virtue of Board of Directors resolutions, and composed of the following 3 (three) members, precisely:

- by one external member with suitable competence and proven experience in matters pertaining to the tasks assigned to the SB, who is appointed as Chairman of the SB;
- by the Head or a representative of the A&W Management Internal Audit function;
- by the Head or a representative of the A&W Management Compliance function.

In accordance with the regulations, this composition meets the need to ensure that the following requirements are met:

- autonomy and independence, because:

- the members of the SB are not directly or indirectly involved in the formation and implementation of the Company's decisions;
- the activities performed by the SB are not subject to any form of interference and/or conditioning by any persons involved in the management activities;
- the external member is chosen from among authoritative professionals of proven experience, with no operational duties and interests that might conflict with their office, by influencing their independence of opinion and evaluation;

- professionalism, because:

- the internal member was selected for his specific expertise regarding the Internal Control System and Compliance, as well as for his/her familiarity with the Company's organization and operations;
- the external members were selected because of their specific professional skills in the fields of law, economics and finance.

The continuity of action, ensured by the inclusion within the SB of internal members of the Company's organizational structure, who, operating on a permanent basis at the same and by meeting together in accordance with the Regulation, is able to ensure due continuity in supervisory activities.

Moreover, the same modalities and timeframes for the performance of duties set out in the aforementioned Regulation are based on the requirement of continuity of action.

In order to guarantee absolute independence and autonomy in the performance of its duties, the SB is also provided with adequate financial resources necessary for the proper performance of its activities and is vested with its own internal rules of procedure (hereinafter also the "Regulation") aimed at regulating the aspects and modalities of the performance of the tasks assigned to it.

It is also provided that the opinions expressed in good faith by the members of the Surveillance Body in the performance of its duties are indisputable and that its members may in no way be subjected either to negative consequences of any kind or to disciplinary sanctions in relation thereto.

In the performance of its duties, the Surveillance Body resolves by majority vote, subject to the provisions of its own rules of procedure.

The SB is appointed by the Company Board of Directors, which preliminary evaluates and attests:

- the requisites of independence, autonomy and continuity of action, which must characterize for the Body actions;
- the subsistence of subjective eligibility requirements for each members.

All the members of the SB, whether internal or external to the Company, receive notification concerning the resolution for the appointment and the determination of their remuneration.

The SB acts autonomously and independently with respect to the Board of Directors and to the others Surveillance Bodies of the Group Companies (including Parent Company and/or principal for outsourcing services). It promotes cooperation forms and takes part to the meetings, always respecting the limits listed in the following paragraphs. It must also maintain an equal relationship to exclude any interference form with their respective activities and competences.

## **Subjective eligibility requirements of members of the Surveillance Body**

The reasons for the ineligibility and/or incompatibility of SB members are as follows:

- being or becoming a director of the Board of Directors;
- being owner, whether or not directly, of company shares that will allow their owner to exercise a high control or influence, such as to undermine independence;
- working or having worked over the last three years for the statutory auditing firm of the Company or of another company of the Group taking part, as a statutory auditor or with management and supervisory functions, in the audit of the financial statements of the Company or of other Group companies;
- existence of relations of consanguinity, marriage or kinship within the fourth degree with members of the Board of Directors or the Board of Statutory Auditors of the Company, as well as with the same members of the parent companies and/or subsidiaries;
- engaging in direct or indirect economic relations, excluding permanent employment, economic and/or contractual relationships, with or without remuneration, with the Company, its subsidiaries and/or with their respective directors of such significance as may undermine their independence;
- having of conflicts of interest, even potential ones, with the Company, after stating them specifically upon his/her appointment;

- having performed, at least in the three years preceding designation, administrative, management or control functions in companies under bankruptcy, administrative compulsory liquidation or equivalent procedures or in companies operating in the credit, financial, securities or insurance sectors under extraordinary administration;
- having been indicted for one of the underlying crimes mentioned in the Decree or, however, of the same nature;
- having been sentenced, including with a non-irrevocable sentence, for crimes other than those set forth in the Decree, except for rehabilitation purposes or in the event of extinguishment of the offense;
- being legally incapacitated, under care, bankrupt or sentenced to a punishment equivalent to disqualification, even temporary, from holding public offices or incapacity to hold managerial offices;
- hold offices in management, surveillance, control and executive bodies of rival companies or groups;
- being temporarily banned or suspended from legal persons or entities executive offices;
- having an unelectable or rescinding condition as per Article 2382 of the Italian Civil Code;
- having been subject to preventive measures as per Italian Law no.1423 of 27 December 1956 or Italian Law no. 575 of 31 May 1965 and their subsequent amendments and supplements, with the exception of rehabilitation;
- having been convicted or plea bargaining even if without a final judgement or with the sentence conditionally suspended. The exceptions, due to the rehabilitation or resolution of the offense, are listed below:
  - for one of the crimes expected by the Italian Royal Decree no. 267 of 16 March 1942 (insolvency law);
  - for one of the crimes listed in Title XI of the Italian Civil Code (companies and consortia);
  - for one of the crimes against: the public authority, the heritage, the public economy or for tax offenses (Tax Act);
  - for one of the crimes envisaged by the norms applicable to the following sectors: bank, finance, insurance and securities market and payment tools;
  - for any other voluntary crime for a time period shorter than a year.

If during the role a revocation cause occurs to a member of the SB, he/she must immediately inform the other SB members and the Board of Directors.

### **Term of office and causes of termination**

The term in office for members of the Surveillance Body is three years and is renewable, with a limit, of three mandates, only applicable to external professionals.

The Board of Directors must appoint without delay the new SB within three months of the expiry of the assignment. Pending new appointments, outgoing members must fulfill their mandate.

Regarding to the causes of termination from office, there are differences between those regarding the entire SB and those regarding its individual members.

In particular, the entire SB may be removed from office for one of the following causes:

- expired term of office;
- withdrawal of all members, as notified with a written communication sent to the Board of Directors;
- revocation of the SB by the Board of Directors.

In order to ensure the absolute independence of the SB, the revocation can be done if the Management Body find:

- a serious negligence in the performance of duties, including violation of the obligation of confidentiality obligations;
- the possible involvement of the Company in a criminal or civil legal action, related to an omitted or inadequate supervisory activity, even if unintentionally committed;
- the Board of Directors order the resolution for just cause, after consulting the Board of Statutory Auditors.

In the event of any expired term, revocation or withdrawal, the Board of Directors must appoint a new SB without delay.

The termination of the appointment of a single member of the SB and its consequent replacement may take place for the following reasons:

- due to their termination from office or from the positions held within the Company (for the internal member);
- following their withdrawal, as notified by a written communication sent to the Board of Directors;
- in the case of the occurrence of forfeiture and/or incompatibility causes, specified in the next paragraph "Subjective eligibility requirements of the SB members";
- following their revocation for just cause by the Board of Directors.

The revocation of the SB or of one of its members, may have one of the following causes:

- serving as a director in a Group company;

- holding, either directly or indirectly, of company's stocks through which the control or a considerable influence is wielded or which undermine his/her independence;
- unjustified absence from two consecutive SB meetings within the corporate year;
- in relation to the external member, the duty of functions and operational responsibilities, present internally in the Company that does not match with the autonomy, independence and continuity of action requisites of the SB.

Again, the revocation is ordered through a Board of Directors' resolution, after having consulted with the Board of Statutory Auditors.

In the event of resignation, revocation, lapse of office or incompatibility of one of the Heads of the Internal Audit and Compliance functions, without the simultaneous cessation from holding the role or office, the Board of Directors shall again decide on the composition of the Surveillance Body in order to allow for a new member to be appointed.

In case a member of the Surveillance Body ceases to hold office, he/she shall remain in office until he/she is replaced, to which the Board of Directors proceeds without delay.

The term of the newly appointed member expires together with the other members of the SB.

## The resources of the Surveillance Body

Every year the Board of Directors, upon the Surveillance Body's proposal, resolves on the assignment of the economic and financial resources considered necessary to perform its assigned duties (budget).

The SB may ask the Chairman of the Board of Directors, through a written reasoned statement, to allocate additional resources, should the need arise in the course of its activities.

The Surveillance Body, while performing its assigned supervisory duties, mainly collaborates with the A&W Management Internal Audit and the A&W Management Compliance functions, availing itself of their expertise and professionalism. By doing so, the SB guarantees a high level of professionalism and continuity of action.

The Surveillance Body also relies on the support of the Group's "231 Corporate Criminal Liability" Unit of GBS S.C.p.A. for updating activities of the Model, supervising its implementation, and for providing the technical activities. This Unit facilitates coordination between the various company functions and the Surveillance Body, also in relation to the monitoring of periodic flows.

The SB may also seek the collaboration of other organizational units of the Company or of the Group for supervisory activities requiring specific professional expertise.

While performing the activities required by the SB, all the human resources involved, although continuing to report to their hierarchical superiors, will report functionally to the SB and will respond to it for their activities assigned to them.

In addition to the resources specified above, the SB, under its direct oversight and responsibility, may use the services of external consultants and professionals, whose remuneration will be paid using the financial resources allocated in the budget.

## The internal Regulation of the Surveillance Body

The SB has its own internal regulation that governs the main aspects and procedures for performing its duties.

More specifically, this internal regulation governs the following aspects:

- the functioning and internal organization of the SB;
- the supervisory activities of the SB;
- the management of reports and violations;
- the allocation of financial resources to the SB.

As regards specifically the scheduling of meetings, the Regulation provides that the SB should meet indicatively at least every three months, and, however, whenever it is deemed appropriate by the SB's Chairman or whenever the actual needs of its activities require.

### 3.2 Duties and powers of the Surveillance Body

In the pursuit of the objectives set forth in the Decree, the following tasks have been assigned to the Surveillance Body:

- overseeing the functioning of and compliance with the Model by all of the Addressees (including Branch personnel);
- checking whether the Model is actually suitable for preventing the crimes specified in the Decree with reference to the activities actually carried out by the Company (including the Branches);
- confirming that the solidity and functionality required of the Model persist over time;
- promoting constant updates of the Model and of the system overseeing its implementation, in collaboration with the organizational units involved, suggesting to the Board of Directors any necessary corrections and adjustments;
- constantly be in touch with the statutory auditing firm;
- maintain relations with and ensures information flows to the Board of Directors, the Committees, and the Board of Statutory Auditors;
- provide information to the Board of Directors and to the Board of Statutory Auditors on issues of common concern, even in a formal hearing, if so required;
- ensure that the individuals concerned duly perform all the reporting activities prescribed in the Model;
- oversee the constant updating of the system for the identification, mapping and classification of the sensitive areas for the purposes of the SB's supervisory activities;
- develop a supervisory program which is consistent with the principles contained in the Model in the sensitive activities identified;
- ensure the implementation of the supervisory program, also by scheduling the activities and by conducting unplanned, non-programmable interventions;
- ensure the preparation of reports on the results of the interventions undertaken;
- where considered appropriate and with reference to Generali Group companies wholly or partially outsourced processes, encourage the examination of the whole sensitive process:
  - communicating in advance to the outsourcer's Surveillance Body the examination activities to be carried out to reach a common planning for the surveillance activities;
  - acknowledging the results of the verification activities conducted by the outsourcer's Surveillance Body;
- as required by Chapter 5, it must be defined and undertook initiatives aimed at promoting the dissemination and understanding of the Model, as well as training of all the personnel (including that of the Branches) and raising their awareness about the compliance with the principles contained with the support of the appropriate company's structures;
- provide explanations on the meaning and application of the provisions of the Model, with the support of the relevant functions;
- ensure an effective implementation of the internal communication system to allow all of the reports for the purposes of the Decree to be transmitted and collected, guaranteeing the protection and privacy of their authors;
- examine and evaluate the information and/or reports received concerning the effectiveness of and related to the compliance with the Model and the internal rules as well as in relation to any potential unlawful conduct;
- ensure - where necessary and giving impetus thereto - the initiation of investigation activities, also with the support of the competent internal structures, aimed at ascertaining possible violations of the Model and of the internal rules, in the light of any reports received and whenever it deems it necessary on the basis of the information acquired in the course of its surveillance activities;
- ensure that, upon the outcome of such investigation activities, the internal structures and/or competent bodies initiate the consequent measures against the persons deemed responsible for the violations ascertained, in accordance with the provisions of the Model's disciplinary system;
- verify the suitability and proper implementation of the disciplinary and penalty system adopted by the Company with this Model (para 4 below);
- provide the necessary information support to the inspection bodies or to the authorities requiring them.

In order to fulfil its duties, the SB shall have all the powers needed to oversee accurately and effectively the functioning of and compliance with the Model.

In performing its assigned duties, the SB may without any notice or prior authorization, for example:

- conduct audits and inspections, in order to discover any violations of the Model or such as are deemed advisable for the proper performance of its duties;
- monitor corporate conducts, also through random checks of deeds and operating processes;
- hear the human resources, where necessary, so that they can provide useful indications or information regarding the corporate activity or any malfunctions or violations of the Model;
- acquire information and access documentation of any type to and from any level and sector of the Company and require of any employee, Director or Statutory Auditor of the Company to promptly provide information, data or intelligence to identify aspects of the various corporate activities that may be significant for the Model and to

- verify its actual implementation by the Company's organizational structures;
- have access to the financial resources necessary to accurately perform its tasks.

In compliance with Confindustria Guidelines, the various Generali Group SBs, fully respecting their own autonomy and independence are able to collaborate with each other in relation to the following aspects:

- cross processes between companies of the outsourcing-Group intra-group;
- specific requests in relation to the surveillance activity;
- annual coordination meeting between the various Surveillance Bodies of companies belonging to the Generali Group.

In the case of outsourced activities within to the Group, the companies' SBs could activate some cooperation forms to increase the efficacy of the surveillance activities of each body on the processes or transversal activities.

In detail, the SBs of the principal companies can inform the SBs of the outsourcer companies of the Group, regarding the necessity to intervene on potential processes/activities partially managed by the outsourcer company. The outsourcer companies SBs autonomously evaluate the possibility to answer to these requests intervening with specific verification activities on the process phases directly managed.

The collected information, after the previously mentioned verifications, could be transmitted following confidentiality and secrecy principles to the SBs of the principal companies.

In addition to what was previously mentioned, each SB of a Group could under certain circumstances request to another SB of the Group to conduct precise activities, among its competence sphere, important for principal and to be informed about the results or in case of important events.

In the end, to guarantee an efficient coordination between the SBs of Generali Group, it was instituted a meeting that at least once a year would allow to share:

- "common interest Marco-thematic" regarding the drafting of the Organizational and Management Models (e.g. Risk assessment execution modality, definition of common settings, regarding operational approaches, best practice sharing, modality and definition of training plans);
- Models update following legislative updates and jurisprudence;
- the methodology for the execution of the verification activities;
- general issues, derived from surveillance activities that suggest the need to reinforce the elements of protection for common interest sensitive activities.

## Information flows from and to the Surveillance Body

Article 6 of Legislative Decree 231/2001 provides for the obligation to send specific information flows to the Surveillance Body as a prerequisite for an effective and constant supervisory activity in relation to the adequacy of and compliance with the provisions contained in the Organizational and Management Model.

The SB shall be appropriately informed by all corporate officials, as well as by third parties required to comply with the, Model, about any news that may concern its supervision of the effectiveness, efficiency and updating of the Model, including any information regarding the existence of possible violations thereof.

The information flows to the SB are regulated through the Operating Procedure 231 "Management of information flows to the Surveillance Body", that summarized all the information flows and describes the related transmission processes.

In particular, the information flows to the SB are organized in:

- information flows predefined by the Model; divided in:
  - event-driven information flows, consisting of particularly relevant and significant information with respect to the Organization and Management Model, which, precisely because of their nature, must be sent promptly to the SB;
  - periodic information flows, relating to sensitive activities and the processes referable to them, which must be sent to the SB by the corporate functions in accordance with the terms established by the latter;
- information flows upon request of the Surveillance Body, or, in other words, any information specifically requested from the SB, as it is deemed relevant for the purposes of its supervision of its efficiency, effectiveness and updating of the Company's Model.

The Heads of the Corporate Functions are then required to periodically fill out a template "Evidence Card", to be transmitted to the Surveillance Body, containing the periodic declaration of compliance with the Model for the reference area as well



as further specific information in relation to the activities at risk managed by the function. The information flows are then also fed through direct hearings of the Managers.

The “231 Corporate Criminal Liability” Unit supports the Surveillance Body and the functions concerned in the management and collection of the information flows required.

## Reporting system - Whistleblowing

In addition to the reporting obligations described above, all the Addressees of the Model must promptly report to the Surveillance Body the following events of which they become directly or indirectly aware:

- the commission, alleged commission or reasonable danger of commission of offenses or offenses provided for by Legislative Decree 231/01;
- violations or alleged violations of the provisions of the Model or of the Code of Conduct insofar as they are relevant for the purposes of the Model;
- any fact/behavior/situation with critical profiles that could expose the Company to the penalties set forth in Legislative Decree 231/01

In this respect, it should be noted that:

- the individuals intending to file a “Report” can choose whether to present it anonymously or by disclosing their identities, although the latter option would facilitate the enquiry into the report;
- the “Report” must provide adequate details on the circumstances surrounding the violation or the alleged violation of the Model, and must be based on precise and concordant elements of fact, so as to allow a full assessment thereof.

As regards the methods of transmission, it should be noted that addressees and third parties may send their “Report” directly to the Surveillance Body or, alternatively, through the appropriate channels made available by the Company.

### a) Reports sent directly to the Surveillance Body

Reports can be sent directly to the Surveillance Body through the following channels of communication:

- a dedicated e-mail box: [GIAM-OdV231@generali-invest.com](mailto:GIAM-OdV231@generali-invest.com);
- an address to which written reports may be forwarded: Via Machiavelli, 4, 34132 Trieste (TS), for the attention of the Chairman of the Surveillance Body.

### b) Other channels made available by the Company

The Company, also in light of the regulations introduced by Italian Law 179/2017 “Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship” (so-called Whistleblowing), has adopted, for the sending of the Reports, a dedicated channel, the Generali Group Compliance Helpline, that guarantees the confidentiality of the identity of the Whistleblower.

In order to send a report through the aforementioned channel the Whistleblower may use

- internet: by filling in the webform provided by the NAVEX application available at [www.generalihelpline.ethicspoint.com](http://www.generalihelpline.ethicspoint.com);
- e-mail: [concerns.co@generali.com](mailto:concerns.co@generali.com);
- registered mail: Group Compliance, Via Machiavelli 3, 34132 Trieste (TS), Italy.

The Generali Group Compliance Helpline channel used by the Generali Group is managed by the Compliance Officer (as Reporting Officer) and guarantees the impossibility of access to the report and to the identity of the reporter itself by the reported person and by third parties who have not been identified by the organization as recipients of the reports or as persons in charge of the subsequent investigation of the reported facts.

Reports of unlawful conduct or violations or suspected violations of the Organization and Management Model or of the Company’s Code of Conduct received through the channels described above must be promptly forwarded to the Surveillance Body, so that it can assess them adequately, with the operational support of internal structures of Generali Group companies, in accordance with the applicable laws.

In particular, the access modalities and the procedural flow of the above-mentioned channel are regulated and described in the “Whistleblowing Policy” adopted by the Company.

The Company undertakes to adopt suitable measures, including disciplinary sanctions, to guarantee the confidentiality of the identity of the reporting party during the various phases of the management of the report.

The duty to report is part of the employee's broader duty of diligence and loyalty; the proper fulfilment of this duty by the employee may not give rise to the imposition of disciplinary sanctions, except where the person making the report makes reports that turn out to be unfounded with willful misconduct or gross negligence.

In particular, the Company also undertakes to guarantee the protection of the reporting party from the application - for reasons connected with the report - of discriminatory or retaliatory measures (e.g. sanctions, demotion, dismissal, transfer or other organizational measures that have a negative effect on working conditions).

### **Reporting activity of the Surveillance Body**

The Surveillance Body must provide adequate reports, either periodic or ad hoc, to the Board of Directors or the Board of Statutory Auditors.

With particular regard to the periodic information flows, the Surveillance Body is required to:

- prepare, at least biannually, a written report to the Board of Directors and the Board of Statutory Auditors, regarding any reports received, any proposals for adjustments or updates to the Model, any established violations of the Model and proposals for sanctions, the verification plan for the following year and the status of implementation of the Model, with reference to the results of the verification activity carried out;
- meet, at least once a year, with the Board of Statutory Auditors for the discussion of the issues of common interest of the two bodies;
- meet, when the bodies involved request it, the Board of Statutory Auditors and the auditing firm for the discussion of specific topics relevant for compliance with the Model.

Finally, the Chairman of the Surveillance Body meets, at least annually, the top management of the Company to report on matters of importance that have emerged in the performance of the activities assigned to the Body.

By implementing and activating the so-called ad hoc information flows, the Surveillance Body, independently from the periodic flows, is required to immediately submit a communication to the Board of Directors concerning the occurrence of extraordinary situations or situations requiring urgent action (for example, violations of important aspects of the Model, etc.) or to request to be heard by the Board of Directors itself or by the Board of Statutory Auditors.

Every information, warning, report and relation provided for in the Model is kept by the Surveillance Body in a special archive, paper and / or computerized, with restricted access.

## 4 Penalty System

### 4.1 Functions of the Disciplinary and Penalty System

Article 6, par. 2 e) and Article 7, par. 4 b) of the Decree require, as a condition for effectively implementing the Organizational and Management Model, the introduction of a disciplinary system that will sanction any breaches of the measures indicated in the Model. Therefore, the creation of an effective disciplinary system is an essential prerequisite of the discriminating value of the Model with reference to the administrative liability of entities.

The sanctions contained in the disciplinary system will be applied to any violation of the Model, regardless of the course or of the outcome of the criminal proceeding that the judicial authority may have initiated as long as the conduct to be reprimanded constitutes a type of crime which is relevant for the purposes of the Decree.

The penalty system must be based on the principle of proportionality between violation and sanction, according to a criterion of graduated nature of the sanction in relation to the different level of dangerousness that the conduct may present with respect to the commission of offenses.

The functioning and effectiveness of the penalty system is monitored by the Surveillance Body, which in this context supervises the activities relating to the ascertainment of infringements, disciplinary proceedings and the imposition of sanctions.

### 4.2 Disciplinary offenses and sanctions

#### Measures against non-executive employees

By complying with the provisions and rules of conduct set forth in the Model, the employees of Generali Insurance Asset Management S.p.A. – Asset Management Company meet their obligations pursuant to Article 2104, par. 2 of the Italian Civil Code; the contents of the Model are a substantial and integral part of those obligations.

Any violation of the individual provisions and rules of conduct set forth in the Model and in the “Disciplinary Rules” by Company employees subject to the following National Collective Employment Contract (hereinafter the “Employment Contract”) always constitutes a disciplinary offense: National Collective Contract for managers and staff in the professional areas of credit, financial and instrumental companies.

The procedures explicitly described in the Model, whose non-compliance ought to be sanctioned, are made available to all employees through the dissemination and training instruments described in Chapter II paragraph 9 and are binding for all Company employees, as is the Model itself.

Each report of a violation of the Model written by the Surveillance Body may trigger a disciplinary action designed to determine any liability for the violation.

In particular, in the enquiry stage, the employee is previously charged with the offense and is given sufficient time to present his/her defense and justification for the claim. Once the liability has been confirmed, a disciplinary sanction is imposed upon the offender, which is proportional to the seriousness of the violation committed.

The sanctions that can be imposed on Company employees, pursuant to Article 7 of Italian Law no. 300 of 30 May 1970 (the so- called “Workers’ Statute”) and any applicable special laws, are those prescribed by law as well as by the sanction mechanism of Employment Contracts, and more specifically for aspects that are also significant for the purposes of the Decree:

- verbal reprimand: occurs when the workers who violate one of the internal procedures set forth in the Model<sup>2</sup> or that, in performing their duties within sensitive areas, engage in a conduct that is not compliant with the Model’s requirements. Those conducts constitute failures to comply with the Company’s instructions;
- written reprimand: occurs when the workers that repeatedly violate the procedures set forth in the Model or that, in performing their duties within sensitive areas, engage in a conduct that is not compliant with the Model’s requirements. Those conducts constitute a repeated failure to comply with the Company’s instructions;
- suspension from service and retribution (for a period not exceeding 10 (ten) days): occurs when the workers who, while violating the internal procedures set forth in the Model, or through their non-compliant conducts, while working within sensitive areas, cause damages or create situations of potential hazard to the Company, or workers who repeatedly violate the procedures set forth in the Model or who, within sensitive areas, engage in conducts that do not comply with the Model’s requirements. Those conducts, which result from their failure to comply with the instructions issued by the Company, cause a damage, albeit potential, to the assets of the Company and/or constitute acts contrary to the interests of the Company or expose it to potential administrative

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<sup>2</sup> For example, if it doesn’t comply with company procedures, fails to provide the Surveillance Board with the required information, fails to carry out checks, etc.

- or interdictory sanctions;
- termination of employment for justified subjective reasons: occurs when workers who, in performing their duties within sensitive areas, engage in conducts that do not comply with the Model's requirements and constitute a significant breach thereof, aimed unequivocally at perpetrating a crime sanctioned by the Decree or that determine the actual application of the relevant measures against the Company. Those conducts constitute cases of significant non-observance of the instructions issued by the Company and/or serious violations of the workers' obligation to co-operate for the prosperity of the Company;
- termination of employment for just cause: occurs when the workers who, in performing their duties within areas "at risk", engage in conducts that do not comply with Model requirements and constitute significant breaches thereof, aimed unequivocally at committing a crime sanctioned by the Decree or that determine the actual application of the relevant measures against the Company, or who repeatedly violated the internal procedures described in the Model or who, while performing their duties within sensitive areas, engage in conducts that do not comply with the Model's requirements, cause damages or create situations of potential hazard for the Company, shall be punished with the "termination of employment for just cause". Those conducts dramatically undermine the Company's trust in those workers, severely and adversely affecting it.

Obviously, all the instructions and guarantees provided for by the law and by the employment contracts have been fulfilled with regard to disciplinary actions, specifically:

- the obligation - in relations to the application of any disciplinary measure – to prior notify the charge to the employee and to hear his/her defense;
- the obligation - except for verbal reprimands – to make a written notification and to issue the provision not until the proper amount of days for each sanction, specified in the employment contract, have been elapsed starting from the moment of the notification of the charge.

As regards the inspection of the violations, the disciplinary measures and the sanctions allocation, it is established that the already conferred powers to the Company management remain valid within the limits of the corresponding mandates and responsibilities.

The type and extent of each of the above sanctions shall be applied also considering:

- the intentionality of the behavior or the degree of negligence, recklessness or unskillfulness, also with regard to the predictability of the event;
- the overall conduct of the worker in question, with particular regard to the existence of disciplinary antecedents, within the limits permitted by the law;
- the worker's tasks;
- the functional position and level of responsibility and autonomy of those involved in the facts constituting the breach;
- other special circumstances surrounding the disciplinary offense;

It is also envisaged that any retaliation or discriminatory measure adopted against the reporting party will be proportionally sanctioned. The penalties are also applied in the case of violation of measures to protect the privacy of the reporter.

It is also sanctioned those who carry out with willful misconduct or gross negligence reports that prove to be unfounded.

Nonetheless, the task of verifying and assessing the suitability of the disciplinary system pursuant to and by virtue of the Decree is assigned to the Surveillance Body, in collaboration with the Head of the relevant organizational unit.

## **Measures against Senior Officials**

If Senior Officials of Generali Insurance Asset Management S.p.A. SGR violate the rules contained in the Model and/or in the procedures referred to therein, the most suitable measures shall be applied against them according to the provisions of the N.C.L.A. for the executives and managers of the related sector.

In the case in which the senior official violates the Model and/or the company's internal set of regulations till the point to nullifying its mutual trust, the maximum sanctions for him/her could be "dismissal with just cause".

It is also envisaged that any retaliation or discriminatory measure adopted against the reporting party will be proportionally sanctioned. The sanctions are also applied in the case of violation of measures to protect the privacy of the reporter.

It is also sanctioned those who carry out with willful misconduct or gross negligence reports that prove to be unfounded.

## **Measures against Directors**

Upon notification of the violation of the provisions and rules of conduct of the Model by members of the Board of Directors, the Surveillance Body must promptly inform the entire Board of Directors and the Board of Statutory Auditors of the incident.

The recipients of the information of the Surveillance Body may, in accordance with the provisions of the Articles of

Association, take appropriate measures including, for example, the convening of the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law and / o the revocation of any powers conferred and / or the revocation of the office or position assigned.

### Measures against Auditors

After being informed of any violation of the provisions and rules of conduct of the Model by members of the Board of Directors, the Surveillance Body must promptly inform the whole Board of Directors and the Board of Statutory Auditors.

As set forth in the Articles of Association, the recipients of the Surveillance Body reports may take the appropriate measures, including, for instance, convening a shareholders' meeting in order to adopt the most suitable measures pursuant to the law and/or revoking any delegations and/or the offices or positions held by them.

### Measures against other Addressees

Every violation by the third parties with whom the Company has contract relationships (such as suppliers, consultants / contractors, trade partners, intermediaries, etc.) of the provisions and rules of behavior contained in the Model and applicable to them, or the possible perpetration of the crimes covered by the Decree by them, is sanctioned, as far as possible, according to the relevant contract clauses. Those clauses may include, for example, the right to terminate the contract and/or impose the payment of penalties. The imposition of sanctions may also imply a prohibition of new contract relationships with those concerned.

### Measures against the personnel of the branches

The violation of the provisions contained in the Model and/or in the procedures referred to by it by personnel working at foreign branches of the Company is punishable according to local laws and to internal regulations, as specified hereunder:

- German branch: any violations are managed in accordance with the employment contract according to the applicable German federal and state laws, including the German labor laws
- French branch: any violations of the provisions contained in the Model and / or in the procedures related to the personnel working in the French branches of the Company, are punishable according to local laws and internal regulations such as the "*Règlement intérieur*".

## 5 Model update and adaptation

It is the responsibility of the Board of Directors to oversee the updating and adaptation of the Model, if the circumstances make it necessary and, in any case, whenever there are requests from the SB in this regard.

The same entrusts the "231 Corporate Criminal Liability" Unit of GBS S.C.p.C. with the responsibility of overseeing, in liaison with the other competent structures, the updating of the Model, as well as the drafting and updating of the relevant regulations in relation to the same.

In order to keep the Model effective and efficient over time, it needs to be updated and revised "substantially", should one or more of the following events occur:

- legislative amendments with reference to the laws on the liability of entities for administrative torts connected with crimes;
- any interpretation of new case law and of the relevant prevailing legal doctrine
- confirmed shortcomings and/or gaps and/or significant violations of the Model emerging from assessments of its effectiveness;
- significant changes in the organizational structure or in the lines of business of the Company;
- considerations resulting from the application of the Model, including experiences gained in the criminal litigations in which the Company has been involved.

Substantial amendments and additions to this Model are the responsibility of the Board of Generali Insurance Asset Management SGR, also at the indication of the Surveillance Body, which, therefore, retains the tasks and powers better specified in paragraph 2 of Chapter 3 concerning the promotion and monitoring of the constant updating of the Model.

On the other hand, amendments or additions to the Model of a non-substantial nature (e.g. amendment of existing internal regulations where such amendments do not entail significant changes to the control system, formal changes to the organizational/functional structure) are delegated to the Corporate Criminal Liability Unit of GBS S.C.p.A., which is required to inform the Board of Directors.

Finally, it should be noted that the relevant internal regulations (e.g. Internal Regulations) and other internal procedures (e.g. operating instructions, internal manuals), which contain the control measures of which the prevention system adopted

by the Company for the purposes of Legislative Decree 231/01 is composed, are an integral part of the Company's Organizational and Management Model.

For an exhaustive and constantly updated list of the relevant internal regulations and other internal procedures in force, reference should be made to the Company's intranet.

# SPECIAL PART

## Foreword

The Special Part is an integral part of the Model of which Generali Insurance Asset Management S.p.A. SGR has been provided with in order to meet the preventive requirements referred to in Legislative Decree 231/01 (in short "Decree").

In accordance with Art. 6, paragraph 1 a) of the Decree, the Company - through a process of risk mapping, assessment of activities, existing controls and business context in which it operates (so-called Risk Self-Assessment) - has identified the sensitive activities in which potential crimes (among those provided by the Decree) may be committed.

In order to prevent or mitigate the risk of committing these crimes, the Company has formulated some general standards of behavior, specific control measures applicable to all "sensitive" activities and other control measures for each of the identified activities at risk.

This Special Part is intended to regulate the conduct of the Addressees of this Model as indicated in the General Part of the same and, in particular, aims to:

- **highlight** the control measures essential to the prevention or mitigation of offenses, implemented in the operating procedures and business practices, in order to make them suitable for preventing the commission of the crimes provided for by the Decree;
- **provide** the Surveillance Body and the managers of the other corporate functions that cooperate with it, with the operational tools to exercise control, monitoring and verification activities.

## Reading guide for the Special Part

The Special Section is divided into different Sections for each type of criminal offense considered relevant for the Company. The criminal offenses envisaged by the Decree and deemed potentially relevant for the Company were identified on the basis of the Risk Self-Assessment activity, also taking into consideration the operating sector, the company organization and the processes that characterize the Company.

To this end, each section of the Special Section contains:

- the regulatory analysis of the individual crimes referred to in the Decree;
- the identification of sensitive activities in the context of which the offenses covered by the section could be committed as well as some examples of the relative methods of committing them;
- the general principles of conduct to which the Addressees of the Model must be guided;
- the specific control measures (so-called "preventive controls") associated with the corporate functions involved for each of the sensitive activities and any other applicable control measures in order to contribute to the prevention of the commission of the crimes identified.

In detail, the Sections of the Special Section are:

- Section **A**, relating to crimes against the Public Administration and private-to-private corruption (Articles 24, 25 and 25-*ter* of the Decree), as well as crime of fraud in sports competitions (Article 25-*quaterdecies* of the Decree);
- Section **B**, concerning IT crimes (Article 24-*bis* of the Decree) and offenses relating to non-monetary forms of payment (Article 25-*octies 1* of the Decree);
- Section **C**, relating to organized crime offenses (Article 24-*ter* of the Decree) and to transnational crimes (Article 10 of Law No. 146 of 16 March 2006);
- Section **D**, relating to the crimes of counterfeiting in coins, public credit cards, stamps and instruments or signs of recognition (Article 25-*bis* of the Decree);
- Section **E**, relating to corporate crimes (Article 25-*ter* of the Decree);
- Section **F**, relating to market abuse (Article 25-*sexies* of the Decree);
- Section **G**, relating to the crimes of manslaughter or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work (Article 25-*septies* of the Decree);

- Section **H**, relating to the crimes of receiving stolen goods, laundering and use of money, assets or benefits of illegal origin, as well as self-laundering (Article 25-*octies* of the Decree) and crimes with purpose of terrorism and subversion of the democratic order (Article 25-*quater* of the Decree);
- Section **I**, concerning crimes related to copyright infringement (Article 25-*novies* of the Decree);
- Section **J**, relating to the crimes of induction not to make declarations or to make false statements to the judicial authority (Article 25-*decies* of the Decree);
- Section **K**, relating to environmental crimes (Article 25-*undecies* of the Decree);
- Section **L**, concerning the employment of third-country citizens whose stay is irregular (Article 25-*duodecies* of the Decree), as well as crimes against the individual, including the offense referred to Article 603-*bis* of the Italian Criminal Code: "Illegal intermediation and labor exploitation" (Article 25-*quinqies* of the Decree).
- Section **M**, referring to tax crimes (Article 25-*quinqiesdecies* of the Decree)

The Sections have a homogeneous structure, which is divided into 5 paragraphs that alternate descriptive parts and summary tables:


- I. Relevant crimes for the Company;
- II. Identification of sensitive activities;
- III. General principles of behavior;
- IV. Specific control measures;
- V. Additional Control Measures;

Paragraph **I. Relevant crimes for the Company** reports and describes the crimes considered applicable to the Company on the basis of the results of the *Risk Self-Assessment* activity, with reference to the various categories of predicate offense indicated by the Decree.

Paragraph **II. Identification of sensitive activities** analyzes sensitive activities that, following the Risk Self-Assessment activity conducted, have been considered potentially at risk of committing the crimes referred to paragraph I. In particular, areas, business processes and corporate structures considered "at risk" in relation to the crimes in question are identified. The reader will then be able to consult a table showing some fundamental information with reference to the abovementioned activities.

Below some guidelines for reading and interpreting the aforementioned table:

ID	Sensitive activity description	Corporate functions involved	Relevant offenses	Examples of potential illegal behavior - RECEIVING, MONEY LAUNDERING AND USE OF MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, SELF-MONEY LAUNDERING
132	Administrative management of expense reports, transfers and entertainment expenses	HR & Organization	1) Art. 648-ter of the Italian Criminal Code Use of money, goods or benefits of illegal origin	1) Use of non-accounting funds or money of illicit origin, for the payment to employees of reimbursements for fictitious expenses or for an amount other than that of the expenses actually incurred



Description of the sensitive activity

Corporate functions involved in carrying out the sensitive activity. The reader can use it to identify the activities of his corporate function present in the section he is consulting

This column shows the crimes whose commission was hypothetically assessed as possible in carrying out the sensitive activity

In this column some examples of potential unlawful behaviors – with reference to relevant offences – are reported.

Identification number of the sensitive activity (valid within the whole documents)

Paragraph **III. General standards of behavior** is aimed at illustrating the obligations and prohibitions that - in general and without prejudice to what is indicated in the Code of Conduct of the Group and in the operating procedures - the Recipients



of the Model are required to comply with the sensitive activities of the Special Part in consultation.

In paragraph IV. **Specific control measures**, the Addressees can consult a further table, which lists the specific control measures (e.g. internal rules, other internal procedures) for each of the aforementioned activities. Sensitive activities completely *outsourced* are not shown in this table, as each outsourcer has internally defined its own relevant internal regulations and other procedures.

ID	Sensitive activity description	Corporate functions involved	Specific control principles	
			Relevant internal regulation	Other internal procedure
132	Administrative management of expense reports, transfers and entertainment expenses	HR & Organization	- Policy L - Travel Policy  - Procedure 4.10 - Gestione delle risorse umane	-

**EXAMPLE**

Description of the sensitive activity

Identification number of the sensitive activity (valid within the whole documents)

Corporate functions involved in carrying out the sensitive activity. The reader can use it to identify the activities of his corporate function present in the section he is consulting

Description of specific control principles: it can be used to identify the internal regulations (e.g. GRE Regulations, internal regulations, guidelines) and other internal procedures (e.g. operating instructions, internal manuals) that must be complied with carrying out the sensitive activity

Paragraph V. **Additional control measures** illustrates additional control measures to which the addressees of the Model must comply while performing sensitive activities (e.g. internal regulations applicable only to branches, operating practices not formalized in documents, system blocks, reports of the Internal Audit function).

It should be noted that, as anticipated in Chapter 1, the Company has established branches in Europe, without prejudice to the adoption of a homogeneous business model between the central structures and the Branches themselves.

In consideration of the foregoing, sensitive activities, predicate offenses and internal regulatory safeguards (adopted under the "Internal Regulation Policy") are applicable to the organization of GIAM S.p.A. SGR as a whole, including the branches.

Any exceptions are adequately indicated in the text and/or in the notes.

Finally, it should be noted that in some Sections the Recipients may meet paragraphs, further than those listed above, related to the specificities of the individual families of crimes. For example, Section A (crimes against the Public Administration and private-to-private corruption) is introduced by a brief illustration of some key concepts regarding the Public Administration (definition of public service, public official etc.), while Section H (crimes of receiving stolen goods, laundering and use of money, goods or benefits of illegal origin, self-laundering and crimes with purpose of terrorism and subversion of the democratic order) reports, at the end, the paragraph "The obligations for Generali Insurance Asset Management S.p.A. within the meaning of the Anti-Money Laundering Decree", which describes the impact of anti-money laundering legislation on the Company's business operations.

Section G (crimes of manslaughter or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work) shows a different approach from that used to regulate the other forms of crime risk: this diversity is imposed by the fact that the sector in question is characterized by the presence of a dense network of regulatory provisions, which encompass both the mechanisms for identifying guarantee positions and the type and contents of the precautionary measures. The particular nature of the regulatory context has made the construction of a specific structure necessary, which will not be the subject of the present guide.

