



**SUMMARY OF THE “DOCUMENT DESCRIBING THE ORGANISATIONAL,
MANAGEMENT AND CONTROL MODEL OF UBI BANCA S.C.P.A. IN ACCORDANCE
WITH LEGISLATIVE DECREE No. 231/2001”**

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Legislative framework.

Introduction.

Legislative Decree No. 231 of 8th June 2001 (hereinafter “Legislative Decree No. 231/2001”) disciplines the “*liability of entities for administrative violations resulting from crimes*”, concerning legal entities and companies and associations even if they have no official legal status.

The regulations introduced by Legislative Decree No. 231/2001 state that companies can be held “liable” for some crimes committed or attempted in the interest of or to the advantage of the companies themselves, by members of senior management (termed persons “in apical positions” or simply “apical” persons) and those who are subject to the management or supervision of these.

The administrative liability of companies is independent of the criminal responsibility of the individuals who have committed the crimes and it accompanies the latter.

Penalties of both a monetary nature and consisting of prohibitions are therefore directly and independently applicable in relation to crimes attributed to persons connected with the functions of companies themselves.

Companies are nevertheless excluded from administrative liability if, amongst other things, a company has adopted and effectively implemented models of organisation, management and control designed to prevent crimes, before the crimes are committed. These models can be adopted on the basis of codes of conduct (guidelines) drawn up by associations which represent companies, including the Italian Banking Association, and which have been communicated to the Ministry of Justice.

Companies are in any case excluded from administrative liability if the ‘apical persons’ and/or those under them have acted in their own interest or in that of third parties.

Committers of the crime

According to Legislative Decree No. 231/2001, companies are held liable for crimes committed in their interest or to their advantage:

- by “persons who occupy positions to represent, administer or manage an entity or one of its organisational units which are financially and functionally autonomous and also persons who *de facto* manage and control the entity itself (the persons defined above as in an “apical position” or “apical” persons, Art 5, paragraph 1, letter a) of Legislative Decree No. 231/2001);
- by persons subject to the management or supervision of one of the apical persons (persons termed as being subject to the management or supervision of others; Art 5, paragraph 1, letter b) of Legislative Decree No. 231/2001).

The type of crime.

Crimes for which an entity may be held liable according to Legislative Decree No. 231/2001 (if committed in the interest of or to the advantage of the persons specified under Art. 5, paragraph 1, of that decree can be classified for the sake of clarity in the following categories:

- crimes against public administrations (referred to in articles 24 and 25 of Legislative Decree No. 231/2001);
- computer crime (referred to in article 24-*bis* of Legislative Decree No. 231/2001);
- organised crime (referred to in article 24-*ter* of Legislative Decree No. 231/2001);
- crimes against public trust (referred to in article 25-*bis* of Legislative Decree No. 231/2001);
- crimes against industry and commerce (referred to in article 25-*bis*.1 of Legislative Decree No. 231/2001);
- corporate crimes (referred to in article 25-*ter* of Legislative Decree No. 231/2001);

- crimes of terrorism and subversion of democratic law (referred to in article 25-*quater* of Legislative Decree No. 231/2001);
- crimes concerning customs of mutilation of female genital organs (referred to in article 25-*quater.1* of Legislative Decree No. 231/2001);
- crimes against the person of the individual (mentioned in article 25-*quinquies* of Legislative Decree No. 231/2001);
- crimes concerning market abuse (referred to in article 25-*sexies* of Legislative Decree No. 231/2001);
- transnational crimes referred to in Art. 10 of Law No. 146 of 16th March 2006 which “*ratifies and implements the United Nations convention and protocols on transnational organised crime, adopted by the General Assembly on 15th November 2000 and 31st May 2001*”;
- crimes committed in violation of health and safety regulations at the work place (referred to in article 25 *septies* of Legislative Decree No. 231/2001);
- crimes consisting of the receipt, laundering and use of money, goods or benefits of illicit origin (referred to in article 25-*octies* of Legislative Decree No. 231/2001);
- crimes concerning copyright (referred to in article 25-*novies* of Legislative Decree No. 231/2001);
- the crime of “*inducing persons not to make statements or to make false statements to judicial authorities*” (referred to in article 25-*novies* of Legislative Decree No. 231/2001).

On the basis of article 187-*quinquies* of Legislative Decree No. 58/1998, an entity may also be held liable to pay a sum equal to the administrative fine for administrative violations of abuse of insider information (article 187-*bis* of Legislative Decree No. 58/1998) and of market manipulation (187-*ter* of Legislative Decree No. 58/1998), if committed in the interest and to the advantage of the entity by persons classified as in “apical” positions and as “persons subject to the direction and supervision of others”. Furthermore, the last paragraph of the cited article 187-*quinquies* states that some of the provisions expressly mentioned in Legislative Decree No. 231/2001 concerning, amongst other things, models of organisation, management and control having the effect of constituting extenuating circumstances, apply to the administrative violations mentioned above.

Penalties.

The following penalties are provided for by Legislative Decree No. 231/2001 for companies as a consequence of the aforementioned crimes being committed or attempted:

- a fine of up to a maximum of 1.549.370,69 euro and (precautionary seizure of assets);
- penalties of a prohibitory nature (applicable even as a precautionary measure) of a duration of not less than three months and not more than two years, which may consist of:
 - disqualification from carrying on a business;
 - suspension or revocation of authorisations, licences or concessions relating to the offence committed;
 - exclusion from contracts with public administrations;
 - exclusion from entitlement to public concessions, grants, contribution or subsidies and the revocation of those granted;
 - prohibition on advertising goods or services;
- confiscation (and precautionary advance seizure of assets);
- publication of the ruling (if prohibitory penalties are applied).

Attempted crimes.

If crimes relevant for the purposes of the administrative liability of entities are attempted and not actually committed, the fines (in terms of the amount) and the prohibitions (in terms of the time) are

reduced by a third to half. An entity is exempt from the penalties if it voluntarily prevents the deed from being accomplished or the event from occurring.

Crimes committed abroad.

Art. 4 of Legislative Decree No. 231/2001 states that an entity may be held liable in Italy for crimes relevant for the purposes of the administrative liability of entities that are committed abroad. The purpose of this measure is, as underlined in the illustrative report on Legislative Decree No. 231/2001, to avoid leaving a type of criminal situation which frequently occurs unpunished and also to prevent the entire legislation in question from being easily avoided.

Models of organisation, management and control.

One fundamental characteristic of Legislative Decree No. 231/2001 is that it considers models of organisation, management and control of companies as extenuating circumstances. If a crime is committed by a person in an 'apical' position, the company is in fact not held liable if it proves that (Art 6, paragraph 1 of Legislative Decree No. 231/2001):

- a) the governing body adopted and effectively implemented, before the fact was committed, appropriate models of organisation and management designed to prevent crimes of the type committed;
- b) the task of supervising the functioning and compliance with the models and updating them has been assigned to a company body with independent powers to act and monitor;
- c) the persons who committed the crime fraudulently evaded the models of organisation and control;
- d) there was no omission or insufficiency of supervision by the supervisory body.

If, however, a crime is committed by persons subject to the management or supervision of others, a company is held liable if the crime committed was made possible by the violation of management or supervision obligations, which the company is held to comply with (Art. 7 of Legislative Decree No. 231/2001).

The violation of management or supervision obligations is excluded if a company has adopted and effectively implemented, before the fact was committed, appropriate models of organisation and management designed to prevent crimes of the type committed.

Art. 7, paragraph 4) of Legislative Decree No. 231/2001 defines the requirements for effective implementation of organisational models:

- periodical verification of the model and modification of it when significant violations of regulations are discovered or when organisational and business changes occur;
- an appropriate disciplinary system which punishes failure to comply with the regulations of the model.

In the hypothesis of the case contemplated by the cited article 7, it is the judicial authorities who decide whether there has been failure to adopt and effectively implement an appropriate model of organisation and management designed to prevent crimes of the type committed.

Legislative Decree No. 231/2001 describes the contents of the models of organisation and management and control and state that in relation to the extension of powers delegated and the risk of crimes being committed, these must:

- a) identify the areas of activities in which crimes may be committed;
- b) create specific protocols to programme the formation and implementation of corporate decisions regarding the prevention of criminal offences;
- c) identify ways of managing funds in order to prevent crimes from being committed;

- d) establish compulsory reporting to the body responsible for supervising the functioning of models and compliance with them;
- e) introduce a disciplinary system which punishes failure to comply with the regulations of the model.

Furthermore, in accordance with Art. 30 of Legislative Decree No. 81/2008 (hereinafter also the “Consolidated Safety Act”), a model of organisation and control which effectively exempts an entity from administrative liability pursuant to Legislative Decree No. 231/2001 must be adopted and effectively implemented, ensuring the existence of a corporate system which satisfies all the legal requirements concerning the following:

- a) compliance with legal technical and structural standards relating to equipment, plant, workplaces, and chemical, physical and biological agents;
- b) risk assessment activities and implementation of the resulting preventative and protection measures;
- c) activities of an organisational nature, such as emergencies, first aid, contract management, periodic safety meetings and consultation with workers’ safety representatives;
- d) health and hygiene supervisory activities;
- e) the provision of information and training for workers;
- f) oversight activities relating to compliance with operational safety procedures and instructions by workers;
- g) the acquisition of documentation and certifications that are compulsory by law;
- h) periodic verification of the application and effectiveness of the procedures adopted.

The model must also provide for the following:

- appropriate systems to record the implementation of the activities listed above;
- with regard to the requirements concerning the nature and dimensions of the organisation and the type of activity performed, the functions must be organised in such a manner as to ensure they have the expertise and powers needed to verify, assess, manage and control risks;
- an appropriate disciplinary system which punishes failure to comply with the regulations of the model;
- an appropriate system to monitor implementation of the model and maintenance of the appropriateness of the measures adopted over time;
- review and modification of the model when significant violations of accident prevention and safety at work regulations occur, or when organisational changes and scientific and technological progress occur.

Paragraph 5 of the above mentioned article 30 also states that: *“on first time adoption, models of corporate organisation defined as compliant with the UNI-INAIL guidelines for a system for the management of health and safety at the workplace of 28th September 2001 or the British Standard OHSAS 18001:2007 are presumed to be compliant with the requirements of this article for the corresponding parts (...)”*.

Finally, the amendment to Art. 51 of the Consolidated Safety Act by Art. 30, paragraph 1, letter a), of Legislative Decree No. 106 of 3rd August 2009, entitled *“Additional and corrective provisions to Legislative Decree No. 81 of 9th April 2008 on health and safety at the workplace”* is of particular importance. With the introduction of paragraph 3-bis, it allows businesses to request the certification of the adoption and effective implementation of management and control models for health and safety at the workplace by bodies formed jointly by the relatively most representative employers’ and workers’ associations nationally.

Ascertaining appropriateness.

In order to decide whether a company is liable, the judge in the criminal court verifies that the crime assumed for the liability of the company has been committed and performs an investigation to ascertain the appropriateness of the organisational models adopted.

Basically judgment must be made of the “appropriateness to prevent crimes” of the organisational model which, before the crime was committed, could and should have been considered, with reasonable certainty, sufficient to totally eliminate or at least minimise the risk of the crime which was subsequently committed being committed.

The UBI Banca model of organisation, management and control pursuant to Legislative Decree No. 231/2001.

Unione di Banche Italiane Società Cooperativa per azioni (hereinafter “UBI Banca” or the “Bank”) has adopted its own model of organisation, management and control which complies with Legislative Decree No. 231/2001 (hereinafter the “Model”) and the relative legislation and regulations that apply and it is based on principles that are already rooted in its governance culture and on the recommendations contained in the *Italian Banking Association Guidelines for the adoption of organisational models for the administrative liability of banks* (hereinafter the “Italian Banking Association Guidelines”).

The UBI Banca model constitutes a consistent set of principles, procedures and measures which: i) have an effect on the internal functioning of the Bank and on its relations with the outside and ii) regulate the diligent management of a system for the control of sensitive activities, designed to prevent the crimes (and administrative violations) relevant for the purposes of the administrative liability of entities from being committed or attempted.

The Model is presented in the “Document describing the organisational, management and control model of UBI Banca S.C.p.A.” approved by the Management Board and Supervisory Board of UBI Banca. It is divided into two parts which contain the following:

- (i) in the general part a description of:
 - the legislative framework;
 - the reality of the company (system of governance and organisational structure of UBI Banca);
 - the structure of the Model and the methodology chosen to define and update it;
 - identification and appointment of the supervisory body of UBI Banca, with specification of the relative powers, tasks and reporting systems;
 - the functioning of the disciplinary system and the relative penalties;
 - the training and communication plan to be adopted to ensure that people have a knowledge of the measures and regulations of the model;
 - criteria for updating the Model;
- (ii) in the special part, a description of:
 - the types of crime (and administrative violations) relevant for the purposes of the administrative liability of entities which the Bank had decided to take into consideration in view of the nature of its business;
 - sensitive processes/activities and the relative control procedures.

The documentation which UBI Banca possesses to represent its organisational structure and to govern its operations, inclusive of activities that are sensitive for the purposes of the organisation, management and control model pursuant to Legislative Decree No. 231/2001, includes the following:

- the Code of Ethics which defines the general ethical principles and rules of conduct for relations with stakeholders on which the management style of the bank is based, approved by the Management Board and the Supervisory Board on 14/12/2010 and 13/12/2010 respectively;
- Group Regulations which define relations between the governing boards and the senior management of the Parent and the governing boards and senior management of the companies in the Group, approved by the Management Board and the Supervisory Board on 27/10/2009 and 4/11/2009 respectively;
- General Company Regulations which govern the interaction of governing bodies with the units of the Parent approved by the Management Board and the Supervisory Board on 27/10/2009 and 4/11/2009 respectively;
- Internal Regulations, which supplement the external regulations in force for banking and financial intermediaries.

The Code of Ethics, which forms an integral part of the Model, defines the manner in which UBI Banca and Group member companies intend to pursue their mission and act in dealings with their various stakeholders, by basing their management and operating activities on observance of moral and legal obligations towards society. It does this by describing the general ethical principles and rules of conduct for relations with stakeholders and the consequent procedures for the implementation and control of these.

The UBI Banca supervisory body.

In accordance with Legislative Decree No. 231/2001, an entity may be exempted from liability resulting from the commission of crimes by the persons specified under Art. 5 of Legislative Decree No. 231/2001, if the management body has, amongst other things:

- adopted and effectively implemented appropriate models of organisation and management designed to prevent the crimes considered;
- entrusted the task of supervising the functioning and compliance with the models and updating them to a company body with independent powers to act and monitor.

Entrusting the aforementioned tasks to a body with independent powers to act and monitor together with proper and effective performance of those activities represent therefore necessary and indispensable assumptions for exemption of an entity from liability as provided for by Legislative Decree No. 231/2001.

Legislative Decree No. 231/2001 provides no indications concerning the composition of the supervisory body. In the absence of those indications, UBI Banca opted, in the light of aims of the law and the recommendations of the most representative trade associations (including the Italian Banking Association above all), for a solution which is capable of ensuring the effectiveness of the controls which the supervisory body is responsible for in relation to the Bank's dimensions and the complexity of its organisation. It therefore created a supervisory body (hereinafter the "Supervisory Body") composed as follows:

- two members of the Management Board, one of whom possesses the requirements of independence pursuant to Art. 147-*quater* of the Consolidated Finance Act and the other a non executive member of the Management Board;
- the Chief of the Legal Affairs and Litigation Area;
- the Chief of the Compliance Area;
- an external professional.

General principles concerning the creation and appointment of the Supervisory Body

The supervisory body of UBI Banca is created by a resolution of the Management Board, after consultation with the Supervisory Board. The period of office of its members expires with that of the Management Board, which appointed them and they may be re-elected.

When its period of office expires the Supervisory Body continues to perform its functions *ad interim* until new members of the supervisory body are appointed.

Appointment as a member of the Supervisory Body is dependent on possession of the eligibility requirements.

Members of the supervisory body who wish to resign from that body must immediately notify the other members of the Supervisory Body.

The Supervisory Body then promptly informs both the Chairman of the Management Board, so that he may take the appropriate measures, and the Chairman of the Supervisory Board.

Resignations have immediate effect if a majority of the members of the supervisory body remain in office.

If the chairman of the Supervisory Body resigns, the chairmanship is taken by the most senior member until the following meeting of that body.

If a member of the Supervisory Body leaves office for any reason, if a new member is appointed, the new member's period of office expires at the same time as those in office when he is appointed.

In cases of particular gravity, the Management Board may in any case, after informing the Supervisory Board, suspend the powers of the Supervisory Body and appoint a body *ad interim*.

Functions and powers of the Supervisory Body.

The rules for the functioning of the Supervisory Body are provided for by its own regulations which form an integral part of the Model.

The activities performed by the Supervisory Body cannot be challenged by any other body or organisational unit of the Bank, while, however, the governing body is in any case called upon to oversee the adequacy of its work because it is the governing body that is ultimately responsible for the functioning of the Model.

The Supervisory Body is granted the following duties and powers to act and monitor required to ensure effective and efficient supervision of the functioning of and compliance with the Model in accordance with the provisions of Art. 6 of Legislative Decree No. 231/2001:

- to monitor the maintenance over time of the requirements of efficiency and effectiveness of the Model;
- to oversee, develop and promote the constant updating of the Model, identifying and reporting to the management body any updates to be performed by making changes and/or additions which may become necessary as a consequence, for example, of: i) significant violations of the regulations of the model; ii) significant changes to the internal structure of the Bank and/or the methods of performing its operating activities; iii) changes to the legislation;
- to ensure the periodic updating of the system for the identification, mapping and classification of sensitive activities;

- to maintain a constant contact with the independent auditors, safeguarding their necessary independence, and with other consultants and associates involved in activities related to the effective implementation of the Model;
- to detect any changes in behaviour which might emerge from an analysis of information flows and reports which the various functions are required to provide;
- to promptly report violations of the model detected that may lead to the Bank incurring liability to the management body for appropriate measures to be taken;
- to oversee relations with and ensure appropriate reporting to the Management Board and to the Supervisory Board;
- to organise and define initiatives to diffuse knowledge and understanding of the model, as well as personnel training and to make personnel aware of the importance of compliance with the contents of the model;
- to organise and prepare communications and training on the contents of Legislative Decree No. 231/2001, on the impacts of the legislation on the Bank and on the codes of conduct;
- to answer questions on the meaning and application of the measures contained in the model;
- to draw up an effective system of internal communication to allow the communication of news of importance for the purposes of Legislative Decree No. 231/2001, safeguarding the interests and confidentiality of the source;
- to calculate and submit to the approval of the management body, a forecast of the expenditure required to correctly perform the tasks assigned to it. This forecast of expenditure must in any case be sufficiently large to guarantee the full and proper performance of its activities;
- to freely access, or to convene, any organisational unit, officer or employee of the Bank, without the need for any consent in advance, to request and acquire information, documentation and data considered necessary for performing the tasks required by Legislative Decree No. 231/2001 from all employees and managers;
- to request relevant information from associates, consultants, agents, financial advisors and external representatives of the Bank;
- to initiate disciplinary procedures where necessary and to propose penalties;
- to verify and evaluate the appropriateness of the disciplinary system within the meaning of and in compliance with Legislative Decree No. 231/2001;
- to oversee, in accordance with Art. 52 of Legislative Decree No. 231/2007, compliance with the provisions of the decree itself concerning the use of the financial system to launder the proceeds of criminal activities and to finance terrorism. More specifically, in compliance with the interpretation contained in the Italian Banking Association Guidelines, that oversight obligation *“must be interpreted as oversight that each of the bodies referred to in the legislation must perform within the purview of its activities, without the need to produce pointless duplications of tasks and activities”*;
- to fulfil the reporting obligations pursuant to paragraph two of article 52 mentioned above. For that specific purpose, those responsible for the correct application of anti-money laundering regulations in the Bank, shall make regular reports to the Supervisory Board on their activities and shall also promptly report any violations of those regulations;
- in the event of inspections, investigations and requests for information on the part of the authorities concerned to verify the compliance of the model with the provisions of Legislative Decree No. 231/2001, to oversee relations with those performing the inspection and to support them adequately with information.

The Supervisory Body is assisted, under its direct surveillance and responsibility, by all the functions and units of the Bank or by outside consultants, benefiting in the performance of its duties

from their respective expertise and professionalism. This power allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity in its action.

Verifications and monitoring the Model.

The Supervisory Body prepares a document that describes its supervisory activity with which it plans its activities with the following: a calendar of activities to be performed during the year; determination of the intervals at which inspections will be made; identification of the criteria and procedures of analysis; the possibility of making unprogrammed checks and inspections.

The supervisory body may be assisted in the performance of its activities, by both support from the internal functions and units of the Bank with specific responsibilities in the areas of the companies subject to control from time to time and from external consultants with respect to the execution of the technical operations required to perform control functions.

The Supervisory Body is granted wide ranging powers during checks and inspections in order for it to perform the tasks assigned to it effectively.

Reporting obligations to the Supervisory Body – Information flows.

The Supervisory Body must be promptly informed by means of a special internal communication system of actions, behaviour or events that might determine a violation of the Model or which, more generally, are relevant for the purposes of Legislative Decree No. 231/2001.

The following rules of a general nature apply in this respect:

- reports must be collected relating to: i) crimes committed or the reasonable danger of crimes (and administrative violations) relevant for the purposes of the administrative liability of entities being committed; ii) “practices” not in line with the codes of conduct issued by the Bank; iii) behaviour which might, in any case determine a violation of the Model;
- each manager of an organisational unit with responsibility for the co-ordination units is required to officially and promptly report any behaviour that is not compliant with the Model to the Supervisory Board;
- employees, agents, commercial partners, consultants, associates, financial advisors, those termed ‘para-employees’ and all stakeholders in general report violations (or presumed violations) of the Model with regard to business with UBI Banca and activity performed with regard to UBI Banca to the Supervisory Body in accordance with the provisions described later in this document;
- the Supervisory Body assesses, using its own discretion and under its own responsibility, the reports received and the cases in which to act;
- if a report of violations of the Model concerns members of the Management Board and/or the Supervisory Board, it shall also be communicated to the Chairman of the Management Board and the Chairman of the Supervisory Board or, if it concerns the Chairman of the Supervisory Board, to the Chairman of the Management Board and, if it concerns the Chairman of the Management Board, to the Chairman of the Supervisory Board.

Persons making reports in good faith are guaranteed against any form of retaliation, discrimination or penalty and in any case the confidentiality of the identity of the person making the report is guaranteed unless legal obligations and protection of the rights of the Bank or of persons mistakenly and/or maliciously accused do not allow it.

In addition to reports of violations of a general nature described above, information concerning the following must be communicated to the Supervisory Body by the corporate functions that work in the area of sensitive activities: i) the periodic results of control activities put in place by it to implement the Model (summary reports of activities performed, monitoring activities, indexes of

actual performance etc.); ii) anomalies or unusual occurrences encountered in the information available (a fact which may not be important considered by itself, could be evaluated differently if it repeats or happens also in other areas).

Transmission of reports – Collection and conservation of information.

Reports can be made in writing and not in anonymous form according to the following procedure:

- **email:** Organismo.di.Vigilanza.231@ubibanca.it
- **letter to the address:** [Unione di Banche Italiane Soc. coop. per azioni](#)
[Supervisory Body 231](#)
[Piazza Vittorio Veneto, 8](#)
[24122 – Bergamo](#)

All information and reports relating to the Model are conserved by the Supervisory Body in a special archive (electronic or hardcopy).

Reporting by the Supervisory Body to governing bodies.

The Supervisory Body reports on the implementation of the model, any critical aspects there may be and the need to make modifications to it.

Two separate lines of reporting are provided for:

- the first is on a continuous basis directly to the Chief Executive Officer and the General Manager;
- the second is periodic to the Management Board and the Supervisory Board.

Disciplinary system.

Function of the disciplinary system.

The definition of an adequate disciplinary system constitutes an essential assumption if the model of organisation, management and control in accordance with Legislative Decree No. 231/2001 is to constitute a justification with regard to the administrative liability of entities.

Measures with regard to employees.

Observance of the regulations and rules of conduct specified under the Model constitutes compliance by the employees of the UBI Banca with the obligations contained in Art. 2, paragraph 2 of the Italian Civil Code, obligations of which the content of the Model represents a substantial and integral part.

Violation of the individual regulations and rules of the Model by employees of UBI Banca always constitutes a disciplinary offence.

The measures laid down in the model that it is intended to punish if violated, are communicated by means of an internal memorandum to all employees and are placed on display in places accessible to all and they are binding on all employees of the Bank.

Disciplinary measures are imposed on employees of UBI Banca, in accordance with Art 7 of Law No. 300 of 20th May 1970 (the “Workers’ Statute”) and any specific legislation that may apply.

As concerns penalties resulting from violations of the regulations of the Model, the general principles and rules contained in the disciplinary code already issued by UBI Banca and communicated in the same manner as described above apply.

For employees who are not senior managers, these measures are those contained in the disciplinary regulations of the relative national trade union agreement.

Disciplinary action is taken for each report of a violation of the model in order to ascertain whether a violation has actually taken place. For the ascertainment of infringements, the disciplinary procedures and the imposition of penalties, the powers conferred on the management of the UBI Banca within the limits of the respective authorisations and responsibilities apply. However, each action concerning these procedures must be communicated to the Supervisory Body which will assess where responsibility lies.

UBI Banca nevertheless reserves the right to claim compensation for damages caused by violation of the model by an employee.

If the regulations and rules of conduct contained in the model are violated by senior managers, once UBI Banca has ascertained the responsibility of the person committing the violation, it adopts those measures it considers most appropriate. If the violation of the model determines the loss of a relationship of trust between the Bank and a senior manager, the penalty is dismissal for just cause.

Measures concerning members of the Management Board and the Supervisory Board.

Special penalties are employed if violations of the regulations and rules of conduct of the Model are committed by members of the Supervisory Board and the Management Board.

Measures with regard to commercial partners, agents, financial advisors, consultants, associates.

The violation by commercial partners, agents, financial advisors, consultants, external associates, or others with whom the Bank has entered into contracts, of the regulations and rules of conduct contained in the Model that apply to them or crimes (and administrative violations) relevant for the purposes of the administrative liability of entities committed by them are punished on the basis of the specific clauses contained in the relative contracts.

Clearly, UBI Banca nevertheless reserves the right to claim compensation for damages caused by violation of the regulations and rules of conduct contained in the Model by these external parties described above.

Training and communication.

Introduction.

In order to implement the Model effectively, UBI Banca intends to ensure adequate communication of its contents both inside and outside its organisation.

More specifically, it is the objective of UBI Banca to extend communication of the contents of the Model, not just to its own employees, but also to those who, although not officially employees, work, even on a casual basis, to achieve the objectives of UBI Banca as a result of contractual relationships.

The activity of communication and training, which differs according to the recipients, is in any case characterised by principles of completeness, clarity, accessibility and continuity in order to allow the various recipients full knowledge of the Bank's regulations which they are held to comply with and the ethical standards which must guide their behaviour.

Communication and training activity is supervised and supplemented by the Supervisory Body.

Employees and members of governing bodies.

Each employee is required to: i) acquire a knowledge of the contents of the model; ii) know the operating procedures with which their activity must be performed; iii) contribute actively in relation to their position and their responsibilities to the effective implementation of the model, reporting any failures encountered in it.

In order to guarantee effective and rational communication, UBI Banca promotes and facilitates acquisition of a knowledge of the contents of the Model by employees, where the depth of the knowledge differs according to the degree of involvement in the activities identified as sensitive according to Legislative Decree No. 231/2001.

Employees are guaranteed access to and the ability to consult the documentation of the model (Document describing the Model, the Code of Ethics, information on the organisational structure of the Bank and on the Bank's activities and procedures), including direct access on the Bank intranet. Furthermore, in order to facilitate understanding of the Model, employees are required to participate in specific training activity which shall differ according to their degree of involvement in activities identified as sensitive according to Legislative Decree No. 231/2001.

New employees shall receive a copy of the document describing the Model when appointed and they shall be required to sign a declaration stating that they shall comply with the contents of that Model as described therein.

The same procedures for the communication of the Model used for employees shall apply to members of the governing bodies of UBI Banca.

Appropriate instruments of communication shall be adopted to update employees on any modifications that may be made to the Model and on changes in procedures, regulations or organisation.

Other recipients.

Communication activity and the contents of the Model is also addressed to those external parties who work for UBI Banca under contracts or who represent the Bank but without being bound to subordination to it (e.g. commercial partners, agents and consultants, financial advisors, distributors, sales persons and other independent associates). To achieve this the most significant external associates of UBI Banca will be furnished with a copy of this document and a copy of the Code of Ethics. Third parties in receipt of those documents shall be required to sign a declaration stating that they have received the documents and agree to comply with the contents of them.

Having considered the purposes of the model, UBI Banca shall consider the advisability of communicating the contents of the model to outside parties other than those indicated for the sake of example and more generally to markets.

Training activity.

UBI Banca performs specific training activity, with the support of its internal training functions, for all employees in order to ensure that there is widespread and adequate knowledge and understanding of the Model. It is also designed to encourage the diffusion of a corporate culture which is oriented towards the pursuit of increasingly greater transparency and integrity.

The following methods of training are used:

- classroom sessions with dedicated lessons or by the introduction of specific modules in other training sessions depending on the contents and the recipients of the training, with tests to verify the level of learning;
- e-learning: with a module on the general part for all employees, with intermediate exercises and learning tests.

The contents of training activities are constantly updated on the basis of updates to the Model itself. Participation in training activities is compulsory. Acting through the organisational units responsible, the Supervisory Body collects and archives evidence and certification of actual participation in this training activity.

Criteria for updating the Model.

Updating the Model.

The Supervisory Board is responsible for overseeing the updating of the Model.

To achieve this the Supervisory Body is supported by the corporate functions responsible for monitoring changes in legislation and regulations and in the organisational structure and activities of the Bank. This consists of regular reports for these purposes made to the Supervisory body by the Legal Affairs and Litigation Area, the Compliance Area and the Organisation Area. On this basis the Supervisory Body identifies the need to update the Model and reports accordingly to the Management Board giving details of the manner in which the relative intervention is to be implemented.

The Management Board assesses the need to update the Model reported by the Supervisory Body and after consultation with the Supervisory Board, it decides whether and how to update the Model in relation to modifications and/or additions that may become necessary as a consequence of:

- changes to the legislation and regulations concerning the administrative liability of entities and significant developments in the interpretation of provisions on the matter;
- the identification of new sensitive activities or changes in those previously identified including those which may be related to the start up of new lines of business, changes in the internal organisation of the Bank and/or changes in how the business of the Bank is carried on;
- the issue and amendment of guidelines by the relative trade associations communicated by the Ministry of Justice in accordance with Art. 6 of Legislative Decree No. 231/2001 and article 5 *et seq* of Ministerial Decree No. 201 of 26th June 2003;
- commission of crimes (and administrative violations) relevant for the purposes of the administrative liability of entities by those in receipt of the provisions of the Model or, more generally, of significant violations of the model;
- the discovery of failings and/or gaps in the provisions of the Model following examinations of its effectiveness.

When the Management Board makes decisions concerning the update of the Model, it identifies those corporate functions responsible for implementing the action required to perform the updates mentioned and the related procedures, by authorising the start of a special project.

Those functions identified shall perform the intervention decided according to instructions they have received and, after first reporting to the Supervisory Body, they shall submit proposals for the update of the Model resulting from the findings of the relative project to the Management Board for approval.

The Management Board, after consultation with the Supervisory Board, shall approve the findings of the project, provide for the update of the Model and identify those corporate functions which shall be responsible for implementing the amendments or additions resulting from the findings of the project and for communicating the relative contents within the Bank and externally.

Approval of the update of the Model is immediately reported to the Supervisory Body, which in turn oversees the proper implementation and communication of the updates performed.

The Supervisory Body also prepares a special report to inform the Management Board of the outcome of the oversight activities undertaken to comply with the board resolution to update the Model.

The model is in any case subject to periodic review every three years to be performed by resolution of the Management Board.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to crimes against public administrations.

An analysis of the corporate processes of UBI Banca identified the areas in which the types of crimes mentioned in articles 24 and 25 of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities considered “sensitive” or at risk with regard to crimes against public administrations is given below as follows:

1. negotiation, signing and performance of contracts/conventions with public entities by means of negotiated procedures (direct award or private negotiation) or public procedures (open or restricted);
2. activities performed by the Bank when appointed to perform a public service (e.g. provision of treasury services for public administrations; tax payment services; the distribution of government debt instruments);
3. management of approval procedures, disbursement activities and the relative administrative formalities relating to the disbursement of finance which benefits from government subsidies;
4. management of relations with public entities concerning property rights (land office and land register);
5. management of relations with public sector entities – including public supervisory authorities (e.g. the Bank of Italy; the Financial Intelligence Unit, CONSOB (Italian securities market authority), the Antitrust Authority, Authority for Electricity and Gas, Authority to Guarantee Communications, Isvap (insurance authority), Covip (pensions authority), Ministries, Authority to Guarantee the Protection of Personal Data) – which operate as public authorities active in determined areas of responsibility: Compliance and inspections;
6. management of relations with public entities to obtain authorisations and licences for carrying on company business;
7. appointment of personnel, including personnel belonging to protected groups or for whom concessions are granted for employing them. Relations with pension and social security entities;
8. relations with investigative authorities (carabinieri, state police, municipal police, financial police);
9. commercial promotion and sponsorship of public entities;
10. management of relations with the tax authorities;
11. acquisition and/or management of contributions/subsidies/loans granted by public entities to the Bank;
12. management of litigation in and out of court (e.g. civil, tax, labour law, administrative law, criminal law, etc.). The appointment of lawyers and the co-ordination of their activities;
13. the management of litigation concerning credit recovery, the appointment of lawyers and the co-ordination of their activities;
14. management of public entity software or of software supplied by others on behalf of public entities and data transmission connections (input and output) or the data transmission of digital media to public entities.
15. relations with agents, financial advisors and brokers (selection, creation and management of relations, setting fees, management and termination of relations);

16. signature authority for the management of funds.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca, with regard to the forgery of coins, public credit notes, duty stamps, identification instruments and distinctive signs.

An analysis of the corporate processes of UBI Banca identified an area in which the types of crimes mentioned in article 25-bis of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities considered sensitive or at risk with regard to the crimes of the forgery of coins, public credit notes, duty stamps, identification instruments and distinctive signs is given below as follows:

1. every possibility of holding, handling or using money/duty stamps. Funds in cash;
2. the conception, reproduction, creation or use for commercial of industrial purposes of brands, distinctive marks, drawings or industrial models;
3. the introduction into the country and the storage for sale or distribution on the retail market of intellectual property or industrial products with brands or distinctive national or foreign marks.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to corporate crimes.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-ter of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities considered “sensitive” or at risk with regard to corporate crimes is given below as follows:

1. preparation of accounts, reports and other company communications required by law for disclosure to shareholders or the public and compliance with obligations introduced by Law No. 262/2005 concerning company accounting documents;
2. preparation of prospectuses required for the sale to the public of financial products and/or for admission for listing on regulated markets or documents to be published for public tender offers to purchase, sell or swap shares or other similar prospectuses;
3. management of relations with the Supervisory Board, independent auditors and shareholders. Preparation, keeping and archiving of the documents over which they could exercise control;
4. operations concerning own shares and quotas and operations concerning share capital and allocation of profits;
5. activities to prepare general meetings of shareholders, the proceedings and minutes of general meetings;
6. communications to the supervisory authorities of the banking sector and other supervisory authorities and management of relations with them;
7. communication of conflicts of interest in compliance with Art. 2391, paragraph 1, of the Italian Civil Code;
8. winding up of companies;
9. management of intercompany transactions.

The activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to the crimes of terrorism and subversion of democratic law.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-quater of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities considered “sensitive” or at risk with regard to crimes of terrorism and subversion of democratic law is given below as follows:

1. the authorisation and provision of banking financial and/or investment services as defined in Legislative Decree No. 385/1993 (Consolidated Banking Act) and in Legislative Decree No. 58/1998 (Consolidated Finance Act) and the relative regulations to implement them;
2. the authorisation and provision of insurance services in accordance with Legislative Decree No. 109/2005 and the subsequent regulations to implement it issued by the ISVAP (insurance authority);
3. the management of investments other than banking and financial services (e.g. the acquisition of companies or stakes in companies, strategic agreements, other extraordinary finance transactions);
4. the negotiation, signing and performance of agency, intermediation, consultancy, financial advisor and brokerage contracts;
5. the management of approval procedures, disbursement activities and the connected administrative formalities relating to the grant of financial subsidies;
6. the implementation, promotion and management of humanitarian and charitable initiatives, particularly in favour of entities with headquarters or operating in countries considered at risk;
7. the management of the supply procurement process;
8. back-to-back transactions and correspondence relations with foreign banks;
9. the selection of commercial and financial partners and management of the relative relations;
10. selection and training activities for the proper application of the provisions of Legislative Decree No. 231/2007;
11. the administration of company servers or websites;
12. the appointment of personnel;
13. rental of properties.

The activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to crimes against persons.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25--*quinquies* of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities considered “sensitive” or at risk with regard to crimes against persons is given below as follows:

1. the grant of guarantees or loans;
2. activities which involve direct or indirect use of labour (e.g. awarding contracts);
3. implementation, promotion and management of humanitarian and charitable initiatives;
4. the administration of company servers or websites;
5. the organisation and promotion of travel (e.g. vacation prizes) for employees or commercial partners (e.g. agents, account managers, etc.);
6. activities which involve the use of services provided by specialist agencies or tour operators.

The activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to the crime of market rigging and the crimes (and administrative offences) of abuse of insider information and market manipulation.

Analysis of the corporate processes of UBI Banca identified the areas of the activities in which the crime of market market rigging, the crimes mentioned in article 25 *sexies* of Legislative Decree No. 231/2001 and the administrative offences referred to in Art. 187-*quinquies* of Legislative Decree No. 58/1998 may theoretically be committed. The activities identified as sensitive or at risk with regard to the crime of market rigging and the crimes (and administrative offences) of abuse of insider information and market manipulation are listed below as follows:

1. the issue of information through the media (e.g. press releases, web site postings etc.), disclosures to markets and relations with financial analysts and rating agencies;
2. transactions involving financial instruments;
3. management of insider information.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to transnational crimes.

An analysis of the corporate processes of UBI Banca identified the areas of activity in which the types of crimes mentioned in Law No. 146/2006 may theoretically be committed. A list of the activities considered “sensitive” or at risk with regard to transnational crimes is given below as follows:

1. the authorisation and provision of banking financial and/or investment services in relation to transnational activities as defined in Legislative Decree No. 385/1993 (Consolidated Banking Act) and in Legislative Decree No. 58/1998 (Consolidated Finance Act) and the relative regulations to implement them;
2. the authorisation and provision of insurance services in relation to transnational activities in accordance with Legislative Decree No. 109/2005 and the subsequent regulations to implement it issued by the ISVAP (insurance authority);
3. the management of investments other than banking and financial services in relation to transnational activities (e.g. the acquisition of companies or stakes in companies, strategic agreements, other extraordinary finance transactions);
4. the negotiation, signing and performance of agency, intermediation, consultancy, financial advisor and brokerage contracts in relation to transnational activities;
5. the management of approval procedures and disbursement activities and connected administrative formalities relating to the grant of financial subsidies in relation to transnational activities;
6. the appointment of members of the governing bodies of foreign companies in the Group;
7. the management of relations with members of governing bodies, employees or third parties involved in court proceedings;
8. the management of requests from investigative authorities (carabinieri, state police, financial police);
9. the management of activities designed to allow a person to physically enter a country;
10. rental of properties in relation to transnational activities;
11. the implementation, promotion and management of humanitarian and charitable initiatives in relation to transnational activities;
12. assistance, consultancy or other forms of co-operation in the establishment, administration and management of trusts in relation to transnational activities;
13. management of the supply procurement process in relation to transnational activities;
14. the selection of commercial and financial partners and management of the relative relations in relation to transnational activities.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to crimes concerning health and safety at the workplace.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-septies of Legislative Decree No. 231/2001 may theoretically be committed. Activities identified as sensitive or at risk for crimes concerning health and safety at the workplace are listed below:

1. the planning and organisation of roles and activities connected with health, safety and hygiene at the workplace;

2. the delegation of responsibilities to functions with regard to health, safety and hygiene at the workplace;
3. the identification, assessment and management of risks with regard to health, safety and hygiene at the workplace;
4. robbery risk management;
5. activity to inform personnel on matters concerning health, safety and hygiene at the workplace;
6. training activity with regard to health, safety and hygiene at the workplace;
7. relations with suppliers with regard to activities connected with health, safety and hygiene at the workplace;
8. the management of corporate assets with regard to activities connected with health, safety and hygiene at the workplace;
9. controls and corrective action with regard to activities connected with health, safety and hygiene at the workplace.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to crimes consisting of the receipt, laundering and use of money, goods or benefits of illicit origin.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-*octies* of Legislative Decree No. 231/2001 may theoretically be committed. Activities identified as sensitive or at risk with regard to crimes consisting of the receipt, laundering and use of money, goods or benefits of illicit origin are listed below as follows:

1. the authorisation and provision of banking financial and/or investment services as defined in Legislative Decree No. 385/1993 (Consolidated Banking Act) and in Legislative Decree No. 58/1998 (Consolidated Finance Act) and the relative regulations to implement them;
2. the authorisation and provision of insurance services in accordance with Legislative Decree No. 109/2005 and the subsequent regulations to implement it issued by the ISVAP (insurance authority);
3. the management of investments other than banking and financial services (e.g. the acquisition of companies or stakes in companies, strategic agreements, other extraordinary finance transactions);
4. the negotiation, signing and performance of agency, intermediation, consultancy, financial advisor and brokerage contracts;
5. the management of approval procedures, disbursement activities and the connected administrative formalities relating to the grant of financial subsidies;
6. the implementation, promotion and management of humanitarian and charitable initiatives;
7. the management of the supply procurement process;
8. back-to-back transactions and correspondence relations with foreign banks;
9. assistance, consultancy or other forms of co-operation in the establishment, administration and management of trusts;
10. the selection of commercial and financial partners and management of the relative relations;
11. selection and training activities for the proper application of the provisions of Legislative Decree No. 231/2007;
12. the administration of company servers or websites.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to computer crimes and the illicit processing of data.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 24-*bis* of Legislative Decree No. 231/2001 may theoretically be committed. A

list of the activities considered “sensitive” or at risk with regard to computer crimes and the illicit processing of data is given below as follows:

1. the definition of rules to be adopted with regard to the safety of computer and electronic systems;
2. the management of access to computer systems by internal and external users, of user profiles and authentication processes;
3. the management of the security of legally valid electronic documents and the protection of networks and communications;
4. the management of physical and environmental security (including the security of equipment, wiring, network devices, information etc.) and of goods inventory activities;
5. the acquisition and management of equipment, system devices (including detection devices) or software programmes (including the development of them and installation and maintenance services for them);
6. the monitoring and periodic verification of IT systems and the management of incidents and IT security problems;
7. the management of infrastructural aspects of on-line transactions.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to organised crime.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 24-ter of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities identified as sensitive or at risk with regard to organised crime is given below as follows:

1. the authorisation and provision of banking financial and/or investment services as defined in Legislative Decree No. 385/1993 (Consolidated Banking Act) and in Legislative Decree No. 58/1998 (Consolidated Finance Act) and the relative regulations to implement them;
2. the authorisation and provision of insurance services in accordance with Legislative Decree No. 109/2005 and the subsequent regulations to implement it issued by the ISVAP (insurance authority);
3. the management of investments other than banking and financial services (e.g. the acquisition of companies or stakes in companies, strategic agreements, other extraordinary finance transactions);
4. the negotiation, signing and performance of agency, intermediation, consultancy, financial advisor and brokerage contracts;
5. the management of approval procedures, disbursement activities and the connected administrative formalities relating to the grant of finance including subsidised finance;
6. the management of activities designed to allow a person to physically enter a country;
7. the rental of properties;
8. the implementation, promotion and management of humanitarian and charitable initiatives;
9. the management of the supply procurement process;
10. the selection of commercial and financial partners and management of the relative relations.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to crimes against industry and commerce.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-bis.1 of Legislative Decree No. 231/2001 may theoretically be committed. A list of the activities identified as sensitive or at risk with regard crimes against industry and commerce is given below as follows:

1. participation in tenders;
2. the organisation of tenders;
3. the management of relations with appointed parties or the direct performance of the following activities:
 - a) the sale of goods or services on the market;
 - b) the sale or marketing of foodstuff substances or products;
 - c) the sale or distribution of intellectual property or industrial products;
 - d) the introduction into the country for distribution of objects or other goods.

Activities identified as sensitive for the purposes of Legislative Decree No. 231/2001 in UBI Banca with regard to the violation of copyright.

An analysis of the corporate processes of UBI Banca identified areas in which the types of crimes mentioned in article 25-novies of Legislative Decree No. 231/2001 may theoretically be committed.

The following activities:

- a) possession for any reason;
- b) importation
- c) distribution in any manner;
- d) reproduction or duplication;
- e) use for any reason;
- f) production
- g) modification of the contents;

are considered as sensitive or at risk with regard to the violation of copyright where the activity relates to the following:

- i) software programmes for computers;
- ii) means designed to violate barriers placed to protect software programmes;
- iii) the contents of databases;
- iv) media containing sound or video recordings of musical, cinematographic or audiovisual works or similar or sequences of images in movement;
- v) works or parts of literary, dramatic, scientific or didactic, musical or dramatic-musical or multimedia works even if they form part of collective or composite works of databases;
- vi) encrypted services;
- vii) special decoding devices or elements or the decoding of audiovisual transmissions performed by radio, satellite or cable in both analogical and digital form where access is subject to conditions;
- viii) equipment, products or components or services for which the primary purpose or commercial use is to penetrate effective technological protection measures;
- ix) other intellectual property or parts of it, or other material protected for copyright purposes, including property held in electronic form.

The system of controls.

The controls designed to prevent the risk of crimes (and administrative violations) being committed that are relevant for the purposes of the administrative liability of entities, together with the provisions of the Code of Ethics, operate on two levels:

- **general regulations for activities**, which are always present in sensitive activities considered by the Model;
- **specific regulations** which contain specific rules designed to regulate particular aspects of sensitive activities.

The regulations contain provisions which are directly applicable and also others which are implemented through existing regulations (e.g. company regulations, procedures, circulars, etc.).

General regulations for the control of activities are as follows:

- a) **segregation of activities:** the performance of sensitive activities occurs by compliance with the principle of the segregation of activities between the person controlling and the person authorising;
- b) **rules:** the Bank adopts and applies organisational measures designed to furnish at least general principles to regulate sensitive activities in compliance with the provisions of the Model;
- c) **powers to sign and powers to authorise:** the exercise of internal powers to sign and powers to authorise is performed on the basis of official rules introduced for that purpose;
- d) **traceability:** the persons and functions concerned and/or the IT systems used ensure the identification and traceability of the sources, information basis and controls performed which support corporate decision-making and decision implementation and the manner of managing financial resources.

The specific regulations are given in detail in the 13 chapters – each one dedicated to a type of crime (and administrative violation) relevant for the purposes of the administrative liability of entities, which the Bank has decided to consider because of the nature of its business – which constitute the special part of the document describing the Model.

The structure of each chapter is based on the association of the type of crime (described in section 1) with the sensitive activities identified by the Bank in relation to that type of crime (listed in section 2) and with the specific regulations (section 3).

The general and specific regulations were formulated with reference to the Italian Banking Association Guidelines, to the Confindustria Guidelines (confederation of industry), to those published to date by the main business associations and to international best practices. They were subsequently adopted by the Bank with appropriate adaptations for its own governance model and organisational model.

In compliance with the specific provisions of the Italian Banking Association Guidelines, the risk assessment of crimes occurring and the formulation of regulations designed to prevent them were performed with consideration taken of the particular nature of the banking industry. They were based on the consequent assumption that generally the risk of occurrence for some types of violation in the Bank is the same as for that of any other type of entity (“general crimes”), but that for other types of crime there is a higher risk of occurrence in the Bank because of the nature of the business carried on by the Bank (“specific crimes”).

Again according to the guidelines just mentioned, for some types of crime (such as those relating to the receipt, laundering and use of money, goods or benefits of illicit origin), this distinction is of less importance because it is held that for the reasons specifically indicated, the crimes in question can be considered as both specific and general crimes with regard to banks.

As specifically concerns general crimes as previously defined, the system for the management of financial resources is not only governed by the regulations to implement the principles of “traceability” and “segregation” (the latter relating to the separation of duties and the opposition of functions) but also by the delegation of powers which is organised by the Bank in compliance with the regulations for “powers to sign and powers to authorise” which sets different levels of approval

for spending by different parties and different procedures for signing on behalf of the Bank in the authorisation of financial transactions.

Specific regulations for crimes regarding health and safety at the workplace have been formulated in compliance with Art. 30 of paragraph 5 of Legislative Decree No. 81/2008, by making reference to UNI-INAIL guidelines for the creation of a system to manage occupational health and safety.

Until the special section of the Italian Banking Association Guidelines (or guidelines of other associations) dedicated to the subject is published, the specific regulations on computer crimes and the illicit processing of data have been formulated on the basis of the following:

- the ISO 27001 standard, which sets the requirements to be satisfied for an adequate information security management system (ISMS) for the proper management of sensitive corporate data;
- the COBIT framework, which represents the accepted standard for information and communication technology (ICT) management;
- the internationally recognised SAS 70 audit standard for security controls of service providers, which involve controls of networks, IT environments and the relative processes.

Where activities that are sensitive for the purposes of computer crimes and the illicit processing of data to which they are associated are outsourced and performed by other Group companies or by external providers, these specific regulations may be incorporated in the service contracts for the performance of the activities.

Finally, in cases where a sensitive activity identified by the Bank is fully or partly performed by third parties in the name of and/or on behalf of the Bank, the following regulations shall apply in place of and/or to complete the specific regulations in place for single sensitive activities:

- **contracts:** a specific contract is stipulated for every sensitive activity which is fully or partly outsourced, which regulates the performance of the sensitive activity and defines the service level (service level agreement) in a detailed and thorough manner, which clearly states the activities for which the Bank is responsible and those for which the outsourcer is responsible and it regulates the procedures by which, in compliance with the Model, the sensitive activities must be performed by the outsourcer;
- **contact:** for every activity which is fully or partially outsourced, a person or function is identified which is responsible for compliance with the provisions contained in the service level agreement in order to oversee the responsibilities of the Bank with regard to the externally outsourced activities;
- **special clauses:** special references to the regulations relating to the Model shall be contained in service contracts stipulated with third parties for the performance of sensitive activities and explicit termination clauses are inserted designed to penalise behaviour by third parties which violates the provisions of the Model;
- **controls:** in services contracts, third parties to whom the management of activities has been fully or partially outsourced, agree to take appropriate measures to prevent the commission of crimes and administrative violations relevant for the purposes of the administrative liability pursuant to Legislative Decree No. 231/2001 which could be ascribed to the Bank.