

BFF Bank S.p.A.
Organizational and Management Model
pursuant to Legislative Decree No. 231/2001



General Section

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LIST OF REVISIONS

VERSION	APPROVAL DATE	SUMMARY
1.0	19.12.2014	Release approved by the Board of Directors
2.0	23.06.2016	Update to reflect new criminal offences and changes to the organizational structure
3.0	26.01.2017	Update that: (i) included in the Model the offences related to Market Abuse; (ii) made the Model consistent with the recently updated "Regulations of the Corporate Structure"; and (iii) included, within the scope of reference, the Spanish branch.
4.0	27.09.2017	Update to: (i) include the changes introduced by Legislative Decree no. 38 of 15 March 2017 (published in Official Journal no. 75 of 30 March 2017 and entered into force on 14 April 2017) in the field of corruption in the private sector; (ii) introduce changes resulting from changes to the organizational structure, relating to the creation of new roles or the separation of existing ones.
5.0	31.05.2018	Update which: (i) included in the Model the novelties introduced by Law No. 167/2017 (published in issue No. 277 of the Official Journal - OJ of 27 November 2017, and entered into force on 12 December 2017), which introduced Art. 25-terdecies of Legislative Decree No. 231/2001, concerning the offences of racism and xenophobia referred to in Art. 3, paragraph 3-bis, of Law No. 654/1975; as well as (ii) led to amendments following enactment of Law No. 179 of 30 November 2017 (published in issue No. 291 of the OJ of 14 December 2017 and entered into force on 29 December 2017), on "Provisions for protecting the authors of reports of offences or irregularities they become aware of in a public or private employment contract" (iii) led to changes after the organizational structure was altered, related to creation of new functions or separation of existing ones.
6.0	24.09.2019	Updated in order to i) include in the Model the news from the Law of 9 January 2019, n. 3 which has inserted to the art. 25 of Legislative Decree 231/2001 the crime of "Bribery of public officials" pursuant to art. 346-bis of the Criminal Code, ii) include, within the scope of reference of the Bank, the Polish branch, iii) implement the changes to the T.U.F. introduced by Legislative Decree of 10 August 2018, n. 107 on the subject of price sensitive information, iv) make the modifications consequent to the change in the organizational structure
7.0	24.09.2020	Updated in order to i) include in the Model the news from the Law of art. 39, D.L. 26th October 2019, n.124 converted, with amendments, by Law 19 December 2019, n. 157 which introduced to art. 25 quinquiesdecies of Legislative Decree 231/2001 the "Tax crimes" ii) include, within the scope of reference of the Bank, the Hellenic branch.
8.0	26.11.2021	Update which included: i) the changes to the organizational structure of BFF, ii) following the merger by incorporation of DEPObank - Italian Depositary Bank, the crimes of "Forgery in coins, public credit cards, revenue stamps and instruments or signs of recognition "referred to in Article 25-bis of the Decree and the" Crimes against the individual "referred to in Article 25-quinquies of the Decree as well as the sensitive activities of Transaction Services and the related control measures.
9.0	22.12.2022	Update in order to include in the Model the news of Law No. 22 of March 9, 2022, which introduced Art. 25-septiesdecies of Legislative Decree No. 231/2001 "Crimes against cultural heritage" and Art. 25-duodecimes of Legislative Decree No. 231/2001 "Laundering of cultural property and devastation and looting of cultural and scenic heritage".
10.0	19.12.2024	Update with respect to i) BFF Bank S.p.A.'s organizational and operational changes; ii) regulatory developments in terms of new and/or amended predicate offences. A revision was also carried out, with a view to evolution and alignment with best practices, of the General Part of the Model and the Special Parts that make up the Bank's Model 231. In particular, in the individual Special Sections, in addition to a review and rationalization of the 231 Sensitive Activities, principles of conduct and control safeguards were formalized.

GENERAL SECTION

DEFINITIONS

In this document, in the annexes and in the special sections, the following expressions have the meanings indicated below:

"ABI": Associazione Bancaria Italiana (the Italian Banking Association).

"Bank": BFF Bank S.p.A., parent company of the Group.

"Branch": *BFF Bank Sucursal en España, BFF Bank S.p.A Sucursal em Portugal, BFF Bank Spółka Akcyjna Oddział w Polsce and BFF Bank SPA Greek Branch*. In accordance with art. 4, para. 1, point 17, of the Regulation (EU) 575/2013 ("CRR"), the term "branch" refers to a place of business that forms a legally dependent part of an institution and that carries out, directly, all or some of the transactions inherent in its business.

"CCNL": the National Collective Labour Agreement applicable to employees; in this specific case, the National Collective Labour Agreement for the banking sector.

"Code of Ethics" or **"Code"**: the document adopted by the Board of Directors on 23 February 2004 and subsequently amended and updated in order to give the Group an ethical identity, explaining the values and conduct that must be observed at all times by all Recipients.

"Consolidated Banking Law" or **"T.U.B."**: Legislative Decree no. 385 of 1 September 1993, as amended.

"Consolidated Law on Finance" or **"T.U.F."**: Legislative Decree no. 58 of 24 February 1998, as amended.

"Corporate Control Functions": collectively, the Compliance and AML, the Risk Management and the Internal Audit Functions, and other control structures, i.e. the set of corporate functions entrusted with control tasks under the law, articles of association, regulations or self-regulation rules.

"Corporate Structures": the set of corporate structures at Group level, such as, for example the Departments, Functions, Organizational Units and Offices, as detailed in the *"Bank's Corporate Structure Regulations"*.

"Disciplinary System": the set of penalties applicable in case of breach of the procedural and behavioral rules prescribed by the Model.

"Financial Instruments": the financial instruments referred to in article 4 paragraph 1(15) of Directive 2014/65/EU as well as in article 1, paragraph 2, of the Consolidated Law on Finance, issued by the Bank, which:

- i) are admitted to trading on regulated markets, or for which a request has been made for admission to trading on regulated markets;
- ii) are traded on a multilateral trading facility ("MTF") or admitted or pending admission for trading on an MTF;
- iii) are traded on an organized trading facility (so-called "Organized Trading Facility" or "OTF");

iv) not covered by items (i), (ii) and (iii) above, the price or value of which depends on the price or value of a financial instrument referred to in the above items, or has an effect on such price or value, including, but not limited to, credit default swaps and financial contracts for differences, as further set forth in the *"Internal Procedure for the Management and External Disclosure of Inside Information"* to which reference is made.

"Governing Bodies": the Board of Directors and/or the Board of Statutory Auditors of the Bank, depending on the context.

"Group": the BFF banking group.

"Guidelines": the guidelines for drawing up organization, management and control models under Legislative Decree no. 231/2001, published by the trade associations (ASSIFACT, ABI) and taken into account when drawing up and adopting the Model.

"Insider Information": pursuant to art. 7 of Regulation (EU) no. 596/2014, insider information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Bank or to one or more Financial Instruments and which, if made public, could have a significant effect on the prices of said Financial Instruments or of related derivative financial Instruments.

Information is "of a precise nature" when: (a) it indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, (b) if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or that event on the prices of Financial Instruments or of related derivative financial Instruments.

For more information, see the *"Internal procedure for the management and external communication of insider information"*.

"Legislative Decree no. 231/2001" or **"Decree"**: Legislative Decree no. 231 of 8 June 2001, laying down the *"Administrative liability of legal persons, companies and associations, including those without legal personality, in accordance with Article 11 of Law No. 300 dated 29 September 2000"*, published in the Official Journal n. 140 of 19 June 2001, and subsequent modifications and integrations.

"Legislative Decree no. 38/2017": Legislative Decree no. 38 of 15 March 2017 providing for the *"Implementation of Council Framework Decision 2003/568/JHA of 22 July 2003 on fighting corruption in the private sector"*.

"Legislative Decree no. 24/2023": implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions regarding the protection of persons who report breaches of national laws (published in the Official Gazette on 15 March 2023 and entered into force on 30 March 2023). This Legislative Decree repeals the following provisions: a) Article 54-bis of Legislative Decree No. 165 of 30 March 2001; b) Article 6, paragraphs 2-ter and 2-quater, of Legislative Decree No. 231 of 8 June 2001; c) Article 3 of Law

No. 179 of 30 November 2017.

"Offences" or **"Offence"**: the set of offences or an individual offence referred to in the Decree and in point 2 below, forming the basis for the entities' administrative liability.

"Protocols": documents constituting the Special Section of the Model, in which the Sensitive Activities 231 are formalized, the related risks/offences 231 as well as the principles of conduct and the control measures to mitigate them identified as a result of specific analysis activities;

"Public Supervisory Authorities": Bank of Italy, Consob and other competent authorities.

"Recipients": the persons to whom the provisions of the Model and the Code of Ethics apply, as specified in Chapter 1.

"Regulation (EU) no. 596/2014" or **"MAR"**: *"Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC"*.

"Report": for the purposes of this Model, any information concerning conduct potentially attributable to a so-called predicate offence under Legislative Decree 231/2001, or a violation of the Model and/or the Code of Ethics, or a reportable violation under Legislative Decree 24/2023;

"Responsible for the Internal Whistleblowing System": the recipient of whistleblowing reports who is responsible for directly handling the reception, examination and evaluation of the whistleblowing mechanism, indicated in Chapter 7 of the Model.

"Senior Management": persons who hold functions of representation, administration or management of the entity or one of its Organizational Units with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the same pursuant to Article 5, paragraph 1, letter a) Legislative Decree 231/2001 ("Soggetti Apicali").

"Sensitive Activity 231": corporate activity within the scope of which the occasions, conditions and/or instruments for the commission of predicate offences could be created. It should be noted that the Bank's liability may occur even if the predicate crime is in the form of attempt.

"Supervisory Body" or **"SB"**: a body with independent powers of initiative and control set up by the Bank pursuant to art. 6 of the Decree, and having the task of supervising the functioning, observance and updating of the Model.

"Subordinates": persons subject to the management or supervision of a Senior Management pursuant to Article 5, paragraph 1, letter b) of the Decree. If, as a rule, for such persons, it is important to have a stable subordinate working relationship with the entity concerned (employees and managers), peculiar situations may also fall under the provision of the law, in which a specific task is entrusted to external persons, who are required to perform it under the direction and control of the Senior Management ("Sottoposti").

"Subsidiary Companies": BFF Immobiliare S.r.l., BFF TechLab S.r.l., BFF Finance Iberia S.A.U., BFF Polska S.A. and the companies controlled by same, i.e. BFF Medfinance S.A., BFF Central Europe s.r.o., BFF Česká republika s.r.o.

"Whistleblowing Procedure": the Bank's procedure PG 0401 on "Whistleblowing".

1. INTRODUCTION

This document, drafted with the guidance and supervision of the Supervisory Body, describes the Organization, Management and Control Model (hereinafter also "Model") adopted by the Bank pursuant to art. 6 of the Decree, which, in partial implementation of enabling law no. 300 of 29 September 2000, governs the administrative liability of legal persons, companies and associations, including those without legal personality (entities).

According to these regulations, companies can be held liable and therefore sanctioned, as a result of certain Crimes committed in the interest or to the advantage of the company itself, by top management or staff.

This entails criminal-administrative liability, since, although it involves administrative sanctions, it follows from Offenses and can only be sanctioned through the guarantees proper to the criminal process. Companies, however, can adopt Organizational, Management and Control Models such as to prevent the commission of crimes.

The Bank, with awareness, also at the Group level, of the need to ensure conditions of legality, integrity and transparency in the conduct of business and corporate activities, in order to protect its own position and image, the expectations of its shareholders and the work of its employees, deemed it in keeping with its corporate policies to proceed with the adoption of the Model, which was approved in its first issue by the Board of Directors on February 23, 2004.

The Bank has also appointed a specific Supervisory Body, independent of the corporate governing bodies and vested with independent powers, having the responsibility of supervising the functioning, observance and updating of the Model, as well as to take care of its updating.

This initiative, together with the adoption of the Group Code of Ethics, was pursued in the conviction that adopting the Model - over and beyond the requirements of the Decree, for which the adoption of an organization and management model is not compulsory - is a valid means of raising the awareness of all Recipients and ensuring that, in carrying out their activities, they operate with integrity and transparency, so as to prevent the risk of committing offences. The Model has been drawn up by the Bank in compliance with the requirements of Legislative Decree no. 231/2001, but also with those of the Guidelines issued by ASSIFACT and Italian Banking Association (ABI).

1.1 *Model Recipients*

The Model and the provisions and prescriptions contained or referred to therein must be complied with, limited to the extent of their specific competence within the scope of the exercise of the responsibilities and functions assigned by the Bank, by the following **internal parties**, who are defined, for the purposes of this document, as "Recipients" and specifically:

- the members of the Corporate Bodies and the Supervisory Body;

- all employees of the Bank, including those seconded to Group companies limited to any activities carried out within the Bank;
- collaborators who, although not falling within the categories of employees, work for the Bank and are under the control and direction of the Bank (e.g. interns, contract and project collaborators, temporary workers).

Regarding **external parties** who, although not belonging to the Bank, by virtue of contractual relations, lend their cooperation to it for the realization of its activities, it is envisaged that - as part of their relations with it - they undertake to observe the principles enshrined in the Group's Code of Ethics. External parties include, but are not limited to:

- brokers, agents in financial activities and brokers;
- suppliers;
- the self-employed;
- professionals;
- consultants;
- business partners.

2. REGULATORY FRAMEWORK

As already anticipated, Legislative Decree no. 231/2001 introduces the liability of companies in relation to certain offences, specifically indicated therein, that are either committed or attempted in the interest and/or to the advantage of the company by:

- persons in “senior” positions holding roles of representation, administration or management of an institute or of one of its organizational units with financial and functional independence, as well as by persons who, de facto or otherwise, exercise the management and control of said institute (“Senior Management”);
- persons subject to the direction or supervision of a person in a “senior” position (“Subordinates”).

Therefore, the Bank is only liable in the case of Recipients committing one or more offences and the unlawful conduct being committed for the benefit or in the interest of the Bank itself.

Hence, it implies that a liability of the entity cannot be foreshadowed where the natural person who committed the Offence acted in his or her own exclusive interest or that of third parties.

The entity's liability is furthermore excluded in the event that no “organizational guilt” can be attributed to the entity, as further specified in Section 2.4 below.

With regard to Offences attributable to subordinates, the entity's administrative liability arises if it is proven that the criminal conduct was made possible by the failure of Senior Management to comply with their direction or supervision obligations. As in the case of offences committed by Senior Management, the entity's liability is excluded if, prior to the commission of the Offence, a Model suitable for preventing the commission of the Offences is adopted, as more fully specified in point 2.4 below.

2.1 Offences entailing the corporate administrative liability

The offences giving rise to the institute's administrative liability are those expressly and compulsorily retrieved from Legislative Decree no. 231/2001.

The offences referred to in Legislative Decree 231/2001 can be included in the following categories for ease of exposition:

- Offences against the public administration (art. 24 and art. 25 Legislative Decree 231/2001);
- Computer crimes and illegal data processing (art. 24-bis Legislative Decree 231/2001);
- Crimes committed by criminal organizations (art. 24-ter Legislative Decree 231/2001);
- Crimes of forgery of money, legal tender, stamps and identification instruments or marks (art. 25-bis Legislative Decree 231/2001);
- Crimes of obstruction of industrial and trading activities (art. 25-bis.1 Legislative Decree 231/2001);
- Corporate offences (art. 25-ter Legislative Decree 231/2001);
- Crimes for terrorist purposes or geared towards undermining the democratic order (art. 25-quater Legislative Decree 231/2001);
- Crimes of female genital mutilation (art. 25-quater.1 Legislative Decree 231/2001);

- Crimes against individuals (art. 25-quinquies Legislative Decree 231/2001);
- Crimes and administrative offences of market abuse (art. 25-sexies Legislative Decree 231/2001);
- Crimes of manslaughter and serious or critical injury, committed by breaching applicable workplace health and safety laws and regulations (art. 25-septies Legislative Decree 231/2001);
- Receiving, laundering and use of money, assets or profits of illegal origin (art. 25-octies Legislative Decree 231/2001);
- Offences concerning non-cash payment instruments and fraudulent transfer of values and other matters relating to non-cash payment instruments (art. 25-octies.1 Legislative Decree 231/2001);
- Copyright infringement offences (art. 25-nonies Legislative Decree 231/2001);
- Obstruction of justice (art. 25-decies Legislative Decree 231/2001);
- Environmental crimes (art. 25-undecies Legislative Decree 231/2001);
- Employment of foreign citizens of third countries who are illegally resident (art. 25-duodecies Legislative Decree 231/2001);
- Racism and xenophobia (art. 25-terdecies Legislative Decree 231/2001);
- Frauds in sports competitions, abusive gaming or betting practices and games of chance exercised by means of prohibited equipment (art. 25-quaterdecies Legislative Decree 231/2001);
- Tax crimes (art. 25-quinquiesdecies Legislative Decree 231/2001);
- Smuggling offences (art. 25-sexiesdecies Legislative Decree 231/2001);
- Crimes against cultural assets (art. 25-septiesdecies Legislative Decree 231/2001);
- Laundering of cultural assets and destruction and looting of cultural and landscape assets (art. 25-duodevicies Legislative Decree 231/2001);
- Liability of entities for administrative offences dependent on crime (art. 12, Law 9/2013, for entities operating within the virgin olive oil supply chain);
- Transnational crimes (Law 146/2006).

For details of the crimes expressly provided for in the Decree, the commission of which may result in the entity's liability, please refer to the "*List of offences pursuant to Legislative Decree 231/01*" attached to this Model.

2.2 Sanctions envisaged by the Decree

The following penalties are applied to institutes under Legislative Decree no. 231/2001 as a consequence of administrative liability arising from offences committed by same:

- fines;
- penalties of a prohibitory nature (also called "bans"):
 - disqualification from conducting business;
 - suspension or revocation of authorizations, licenses or concessions relating to the offence committed;

- exclusion from contracts with public administrations;
- exclusion from entitlement to public concessions, grants, contributions or subsidies and/or revocation of those granted;
- prohibition on advertising goods or services;
- confiscation;
- publication of judgement.

The administrative sanction for the company can be applied exclusively by the criminal court and only if all the objective and subjective requirements set by the legislator are met: the commission of one of the crimes referred to in the Decree, in the interest or to the advantage of the company, by Senior Management or Staff subordinate to them.

2.3 Framework for Crimes Committed Abroad

According to Article 4 of the Decree, the entity may be held liable in Italy in connection with Offenses committed abroad. The Illustrative Report of Legislative Decree 231/2001 emphasizes the need not to leave such a frequent criminal scenario unsanctioned, also in order to avoid easy circumvention of the entire national regulatory framework.

The prerequisites (provided for by the norm or inferable from the whole of Legislative Decree 231/2001) on which the liability of the entity for Crimes committed abroad is based are indicated below:

- the offence must be committed abroad by a subject who is functionally linked to the company, pursuant to art 5, paragraph 1, of the Decree;
- the company shall have its headquarters, i.e. the actual offices where administration and direction is carried out (i.e. not necessarily those where the company or its registered office is located) in the territory of the Italian State;
- the company can answer only in the cases and under the conditions contemplated by articles 7, 8, 9, 10 of the Italian Criminal Code (in cases where the law contemplates that the guilty party - a natural person - must be punished at the request of the Minister of Justice, action is taken against the institute only if the Ministry also requests action to be taken against said institute);
- if the cases and conditions provided for in the aforementioned articles of the Criminal Code exist, the institute is liable, unless it is prosecuted in the country where the offence was committed.

2.4 Assumptions of exemption from liability

If the offence is committed by Senior Management, art. 6 of the Decree - in addition to introducing the aforementioned administrative liability provisions - also prescribes a specific form of exemption from liability whenever the institute can demonstrate that:

- i) before the offence was committed, the Board of Directors of the institute had adopted and effectively implemented appropriate Organization and Management Models designed to prevent the crimes considered;

- ii) the task of supervising the functioning, observance and updating of the Model was entrusted to a corporate body with independent powers of initiative and control);
- iii) the persons who committed the offences fraudulently eluded the aforementioned Organization and Management Models;
- iv) supervision by the body referred to in point ii) was neither omitted nor insufficient.

The Decree also prescribes that the models referred to in point (i) should meet the following requirements:

- i) identify the activities within which context offences may be committed;
- ii) envisage specific protocols aimed at planning the training and execution of the entity's decisions in relation to the offences to be prevented;
- iii) identify appropriate financial resource management methods to prevent the commission of such crimes ;
- iv) provide for reporting obligations to the body designated to supervise the operation of and compliance with the Model;
- v) establish an internal disciplinary system capable of punishing non-compliance with the measures stated in the Model .

For offences committed by staff, art. 7 of the Decree states that the institute is not held administratively liable if, before the offence was committed, a suitable Organization, Management and Control Model was adopted with a view to preventing the commission of offences such as the ones committed. Based on the nature, extent and organization of the activities carried out, said model must include appropriate measures to ensure the legal performance of said activities and to identify and remove any risky situations.

Art. 7, paragraph 4, of the Decree stipulates that the effective implementation of the models (pursuant to paragraph 2 of said article) requires:

- i) a periodic review and eventual revision of the Model when significant violations of the requirements are discovered or when changes occur in the organization or activity;
- ii) a disciplinary system in the entity suitable for sanctioning non-compliance with the measures indicated in the Model.

3. THE BANK'S ORGANIZATION, MANAGEMENT AND CONTROL MODEL

The Bank is one of the leading Italian credit factoring institutes operating, in particular, in the Italian Public Administration and National Health Service and has as its object the organized and coordinated management of operations aimed at facilitating the disinvestment, administration and collection of receivables from the National Health System or health care providers as well as towards the Public Administration, the purchase and sale both "without recourse" and "with recourse", in any form and condition, of such credits; the assumption of non-payment risk and the provision of type guarantees; operates in Italy, in Croatia and in France, in the legal framework for the free provision of services, in Portugal and in Greece through the Portuguese and Greek Branches, in Spain, through the subsidiary BFF Finance Iberia S.A.U. and in Poland, the Czech Republic and Slovakia through the subsidiary BFF Polska S.A. and the companies controlled by same.

The Bank is also a leader in Italy in the securities services and bank payment services businesses and serves over 400 clients including investment funds, banks, payment and money-making institutions, large corporates and public administrations as well as is active in direct deposits, both retail and corporate, through restricted deposit accounts in Italy, Spain, Germany, the Netherlands and Ireland through the Spanish Branch and in Poland through the Polish Branch.

The Bank is entered in the Register of Banks and in the Register of Banking Groups, and, as provided for by Article 4 of the Articles of association, its *"purpose is the collection of savings and the provision of credit in its various forms, in Italy and abroad. The Bank may perform all financial, brokerage and investment transactions and services permitted by law, including funding and other transactions governed by special rules, as well as any other transaction instrumental to or connected with the achievement of the Bank's corporate purpose"*.

The Bank fully controls **BFF Finance Iberia S.A.U.**; **BFF Polska S.A.** ("**BFF PL**") and companies it controls, i.e. BFF Medfinance S.A., BFF Central Europe s.r.o., BFF Česká republika s.r.o. e DEBT-RNT sp z o.o.; **BFF Immobiliare S.r.l.**, **BFF Techlab S.r.l.**

Since 7 April 2017, the Bank's shares have been traded on the Main Market ("MTA") organised and managed by Borsa Italiana S.p.A. (the Italian Stock Exchange).

In its capacity as parent company and in exercising its direction and coordination activities, the Bank issues the Group companies with regulations pursuant to the T.U.B., also in accordance with the Supervisory Provisions and in the interest of the Group's stability.

3.1 Governance and Internal Control System

The Bank adopts the so-called "traditional" system of administration and control, which is based on the presence of two bodies appointed by the shareholders' meeting: the Board of Directors, with functions of strategic supervision and management of the enterprise, and the Board of Statutory Auditors, with functions of control over the administration.

The statutory audit of the accounts is entrusted by the Shareholders' Meeting to a statutory auditing firm, upon the proposal of the Board of Statutory Auditors, in application of the relevant regulations in force.

In addition, corporate governance provides for the establishment of specialized internal board committees with investigative, advisory, and propositional duties vis-à-vis the bodies with strategic oversight and management functions (Compensation Committee, RPT Committee, Nominating Committee, and Control and Risk Committee).

The internal control system plays a major role in the organization, ensuring effective management of risks and their interactions. This ensures that business activities are aligned with the company's strategies and policies, promoting sound and prudent management. An efficient and effective internal control system is a prerequisite for creating medium- to long-term value, safeguarding the quality of operations, correctly perceiving risks, and appropriately allocating capital.

The Bank has adopted an internal control and risk management system that involves, each within their respective areas of responsibility:

- the **Board of Directors**, which plays a role in guiding and assessing the adequacy of the system, and which has identified the Chief Executive Officer as the person in charge of establishing and maintaining an effective internal control and risk management system, as well as the Audit and Risk Committee, with the task of supporting, with adequate preliminary activity, the assessments and decisions of the Board of Directors relating to the internal control and risk management system, as well as those relating to the approval of periodic financial reports;
- the **Risk Management Function** and the **Compliance and AML Function**, located on the *staff* of the Board of Directors, which are entrusted with Level II controls aimed at ensuring the proper implementation of the risk management process, the compliance of the company's operations with regulations, and the control of the risk of money laundering and terrorist financing;
- the **Internal Audit Function**, located on the staff of the Board of Directors. The Function performs independent audits and evaluates the overall functionality of the Internal Control System, bringing possible improvement actions to the attention of corporate bodies. The Head of the Internal Audit Function is endowed with the necessary autonomy and independence from operational structures, in accordance with the Bank of Italy's regulations on internal controls, and in relation to internal regulations, as the organizational oversight of business processes.

In the area of 231/01, to this end, it brings to the attention of the same Body any critical issues found during its third-level verification activities, with particular reference to those potentially related to profiles of risk of commission of crimes relevant under the Decree, as well as monitors that the competent Functions carry out the mitigation actions identified in the face of these critical issues;

- the Board of Statutory Auditors, which supervises the effectiveness of the internal control and risk management system.

The Board of Directors has set the guidelines for the system of internal controls, ensuring that the main business risks are identified, managed and monitored appropriately. In particular, it has assessed all types of risks at the consolidated level and approved their assumption in an articulated manner for all Group entities and all countries in which it operates.

The Internal Control System was designed in accordance with the legal and regulatory framework, the Group's organizational structure, and in line with national and international standards and best practices.

3.2 Delegation of Authorities

The Bank's organizational structure is designed with an articulate and formalized approach, in line with the distribution of responsibilities among the various corporate functions. The delegation of authority, proxies and powers must always reflect the established organizational and managerial responsibilities, and their conferral must be in accordance with the procedures and limits defined by the Articles of Association.

The level of autonomy, powers of attorney and expense limits assigned to the various holders of proxies and powers are strictly established, respecting the recipient's hierarchical level. The System of Delegated Powers is constantly applied and monitored to ensure that they are adapted to any structural changes in the company, ensuring that they remain consistent with the Bank's hierarchical-functional configuration.

3.3 Objectives of the Model

The adoption of a Model, specifically tailored to the risks to which the Bank is exposed, designed to prevent through the establishment of rules of conduct, the commission of certain offenses, represents the measure of diligence defined by the Legislator and is - precisely because of its preventive purpose - the first safeguard of the risk control system.

In this regard, this Model aims to:

- identify potential risks, i.e., in which sectors or areas of activity and in what manner prejudicial events could occur, as well as verify and enhance the control and behavioral safeguards in place designed to prevent the realization of unlawful conduct;
- to make all Recipients, as defined in the General Part of the Model, aware of the consequences that may result from conduct that does not comply with the aforementioned rules and procedures and, in particular, to spread awareness that violation of the Decree, the prescriptions contained in the Model and the principles of the Group's Code of Ethics may result in the application of sanctioning measures also against the Bank;
- prevent and/or counteract the commission of offences in a timely manner, including through constant monitoring of the proper implementation of the internal control system.

The Model, therefore, intends to raise awareness among all Recipients on the need to comply with legal

standards and with the Bank's regulations, as contained in said Model and in the Code of Ethics, and to observe the corporate rules and procedures, behaving at all times in accordance with the principles of integrity and transparency.

In this context, the Model, the Group Code of Ethics and the corporate rules and procedures form a comprehensive set of values, principles and internal rules aimed at creating an ethical Group identity, also through the diffusion of the values of honesty and lawfulness.

3.4 Implementation criteria and key elements of the Model

The Bank, in compliance with the provisions of Article 6 of the Decree and relevant industry guidelines, has adopted and updated its Model over time as a result of a specific analysis activity. In particular, the analysis of company operations conducted also with the support of meetings with company representatives and the examining of internal regulations, the following have been identified and formalized:

- the relevant 231 Sensitive Activities in view of the operations of the individual Corporate Structures;
- the offences pursuant to Legislative Decree 231/2001 that can potentially be committed as well as the possible ways in which they can be carried out;
- the principles of conduct and the control measure that are in place to mitigate the identified potential risk-offences, including as a result of an assessment of their adequacy.

3.5 BFF's Model Structure

The Model consists of the following parts:

- this **General Section**, which includes, in addition to a brief description of the provisions of the Decree, the essential requirements and elements of the Model, the responsibilities and authorities of the Supervisory Body, the system of information flows and communications to/from the Supervisory Body, the disciplinary system against violations of the provisions of the Model, and reporting and staff training obligations under the Model;
- the **Special Sections**, i.e. the **Protocols** that clarify the activities, controls and reporting mechanisms required to ensure the compliance of the Bank's organizational and control system with the provisions of the Decree. In particular, the Bank's internal control system, as set forth in the individual Protocols, is based on the following principles:
 - authorisation levels and delegation of powers;
 - segregation of duties;
 - control and monitoring activities;
 - document traceability.

Each Protocol has a specific **Information Note** that identifies for each 231 Sensitive Activity the Bank's main internal regulations identified as relevant to the prevention of 231 risk-offences.

The Model is also completed with the following annexes, which form an integral part of it:

- List of offences pursuant to Legislative Decree 231/01;
- Information flows to the Supervisory Body, which identifies the information flows that the Corporate Structures, to the extent of their competence, must transmit to the Supervisory Body.

The provisions contained in the aforementioned internal regulations, in fact, decline the Protocols formalized in the Special Sections, favoring their concrete implementation by the Recipients.

3.6 231 Sensitive Activities

The 231 Sensitive Activities related to the Bank's operations, which resulted from the Risk assessment, are:

- Establishment and management of business relationships with Public and Private Parties (including participation in calls for tender);
- Management of commercial and business relationships with private subjects (e.g. customers, brokers);
- Management of commercial and business relations with public entities (e.g. public administrations, companies belonging to the NHS);
- Management of commercial and business relations (e.g. Banks, Entities, Corporate);
- Factoring and Credit management activities;
- Management of the contractor's creditworthiness assessment;
- Management of the credit monitoring process;
- Securities custody and administrative management and fund underwriting activities;
- Provision of payment services and delivery of banking products and services;
- Management of financial instrument transaction;
- Management of external communication and relationship with investors, shareholders, bondholders, analysts and rating agencies;
- Management of institutional relations and of relations with the media;
- Management of external communications;
- Event Management;
- Management of gifts, donations and sponsorships;
- Management of relations with Supervisory Authorities and Inspection Bodies;
- Management of accounting and accounting ledgers;
- Preparation of individual and consolidated balance sheet and financial statements;
- Management of activities related to the approval of the Financial Report;
- Tax management;
- Management of share capital transactions, shareholdings and extraordinary corporate transactions;
- Management of relations with corporate bodies and advisory committees;
- Human resources recruitment and management;

- Human resources' administrative management;
- Management of training, including funded training;
- Managing the requirements associated with applying for and obtaining public funding and grants;
- Management of judicial and extrajudicial litigations;
- Management of transactions with Connected Persons and transactions with conflict of interest;
- Complaint management;
- Management of anti-money laundering compliance;
- Management of the capital adequacy assessment process (ICAAP) and the adequacy of the liquidity risk governance and management system (ILAAP);
- Management of information systems and information technology resources;
- Occupational health and safety;
- Management of the environmental system;
- Real Estate Assets Management;
- Management of art assets and of artistic heritage.

In addition, the following Sensitive Activities have been identified, which, given the nature of the activities included, are understood to be transversally relevant across all the Structures of BFF Bank S.p.A. even though they are directly supervised by the competent structures identified:

- Relations with the Board of Statutory Auditors and the auditing firm;
- Use of information technology systems and IT assets;
- Evaluation and management of relevant and privileged information;
- Procurement management of goods and services.

3.7 Adoption and updating of the Model

The adoption of the Model is the responsibility of the Board of Directors, which – with the support of the Supervisory Body – also takes care of its continuous updating through possible additions and amendments to ensure its adequacy in function also of the evolution of the Group's activity.

In particular, the Supervisory Body provides for the monitoring and identification of those events, internal and external, that cause the necessity to update the Model, reporting promptly to the Board of Directors.

By way of example, updating the Model may be necessary under the following circumstances:

- regulatory and jurisprudential changes, including the amendment or extension of the scope of the crimes referred to in Legislative Decree 231;
- changes in the Group's organizational and/or operational structure within its business areas.

Approval of amendments and/or additions to the Model is referred to the resolution of the Board of Directors.

The Model is regularly updated with respect to any changes in the internal and external framework relevant to the Bank (e.g., new offences potentially relevant in relation to operations), also with a view to continuous enhancement and alignment with relevant guidelines and best practices.

The Functions and subjects listed below, who are entrusted with specific roles and responsibilities in this area, are also involved in the activities of managing and updating the Model:

- the Internal Audit Function, supports the Supervisory Body for the purpose of carrying out its supervisory duties on the functioning and compliance of the Model, bringing to the attention of the same any critical issues encountered during its third level verification activities that present potential profiles also relevant under Legislative Decree 231;
- the Compliance and AML Function supports the activity of the Supervisory Body, bringing to the attention of the same any critical issues encountered in the course of its own second-level verification activities that present potential profiles that are also relevant pursuant to Decree 231. The Function, moreover, monitors the evolution of the regulatory context of reference and coordinates the activities functional to the updating of the Model, including those inherent to the mapping of Sensitive Activities 231, the evaluation of the control measures system insisting on the same, as well as the identification and implementation of any related areas of reinforcement, for which it actively involves - also for formal validation - the Departments/Functions owners of the activities. The Compliance and AML Function also participates, in liaison with the Supervisory Body the other competent Corporate Structures, in the preparation of an adequate training plan in the field of Legislative Decree 231/01;
- the Risk Management Function supports the activities of the Supervisory Body, bringing to their attention any critical issues found during its own second-level verification activities that present potential profiles also relevant under Legislative Decree 231;
- the Human Resources & Organizational Development Department oversees, with the support of the other Functions/Departments, the process of detection and management of violations of the Model, as well as the consequent sanctioning process, and provides all information that emerges in relation to relevant facts and/or conduct pursuant to Legislative Decree 231/01 to the Supervisory Body. The Structure, moreover, schedules training plans and awareness-raising interventions in the area of administrative responsibility of entities to all Recipients of the Model.

3.8 Intercompany relations

The Bank as the parent company, in the exercise of its function of guidance and coordination, informs the subsidiaries of the adoption of the Model and communicates the general criteria and directives to which these companies will be required to adhere in relation to the adoption of their own safeguards, so that objective criteria of homogeneity of adoption are guaranteed and without prejudice to the autonomous responsibility of each individual company to adopt and effectively carry out their own safeguards, in adherence to their respective corporate activities and in compliance with local regulations.

In particular, the **Italian companies belonging to the Group** appoint their own Supervisory Body and independently adopt, by resolution of their Boards of Directors and under their own responsibility, their own Organization, Management and Control Model pursuant to Legislative Decree 231/01. While adhering to the criteria and directives provided by the Parent Company, the Model is adopted as a result of an independent analysis that takes into account the nature and type of business conducted, as well as the size and organizational structure.

With reference to the **foreign subsidiaries**, the Bank provides guidelines on the criminal liability of Entities, so that – in compliance with their autonomy and the local regulatory framework of reference – they can observe minimum standards of risk prevention and management on the subject

In addition, the provision of services performed by the Bank in favor of Group companies and by Group companies in favor of the Bank, which may present risks of commission of crimes relevant to administrative liability under Legislative Decree 231/01, must be governed by a contract signed in advance between the parties, which must provide for:

- the roles, responsibilities, and any timelines regarding the contracted activity;
- the obligation on the part of the company receiving the service to attest to the truthfulness and completeness of the documentation or information reported to the company providing the service;
- the obligation of the company providing the service to adopt appropriate measures to prevent the risk of commission of the Offences, from which administrative liability could result for the Bank;
- the sanctions that will be imposed in case of non-compliance with the obligations undertaken in the contract, or in case of reports for violations of Legislative Decree 231/01, as well as, more generally, for behavior contrary to the principles set forth in the Model.

Any violation of the above requirements must be reported to the Bank's Supervisory Body by the person who detected the violation.

4 BFF BANK GROUP CODE OF ETHICS

The Group's Code of Ethics constitutes the highest-level reference in the ethical sphere and makes explicit the founding values and the rules of business ethics that the Group recognizes as its own and of which it requires compliance by all persons identified as Recipients within the same Code.

Although the Group's Code of Ethics has its own autonomous value, it affirms ethical-behavioral principles that are also suitable for preventing the unlawful conduct referred to in the Decree, by acquiring relevance also for the purposes of the Model and becoming a complementary element thereof.

The Bank undertakes to disseminate these rules of conduct at the Group level in order to ensure that its activities are carried out in accordance with the ethical principles referred to in the Code.

The Group companies are sent the Group Code of Ethics adopted by the Bank so that they may adopt it in turn, supplementing it, if necessary, with the values and principles expressly related to the scope of specific operations and the actual exposure to the risks/offences contemplated by the Decree, which typically characterize each individual Group company.

5 ANTI-CORRUPTION FRAMEWORK

The Bank and the Group have defined and implemented specific principles, policies and measures to promote the values of integrity, transparency and accountability in all areas of the Group and in each jurisdiction in which they operate, with the aim of establishing a corporate culture in which corruption is categorically excluded.

In addition, the Bank and the Group are also actively committed to preventing acts of corruption among related third parties (such as joint ventures, business partners, agents, consultants, contractors, suppliers, and intermediaries), extending preventive measures throughout the entire supply chain.

The anti-corruption framework adopted by the Bank expands and deepens the controls system already defined in the Model, also including actions to counter corrupt phenomena that don't fall within the types of offences provided for in Legislative Decree 231/2001, both towards the Public Administration and in relations between private parties.

The Model includes an integration between the control principles for risk management provided for in Legislative Decree 231/2001 and those intended for the more general prevention of corruption, to ensure coordinated management of practices in the company's daily operations. The connection and synergies between the Model and the anti-corruption framework are also facilitated through an integrated mapping of risks under Legislative Decree 231/2001 and corruption risks.

In this respect, there is coordination between the Anti-Corruption Officer and the Supervisory Body, including through the reporting of periodic information flows.

6 SUPERVISORY BODY

6.1 BFF Bank S.p.A. Supervisory Body

Pursuant to Article 6, of the Legislative Decree 231/01 an internal Supervisory Body is expected to be established within the Entity (hereinafter also referred to as 'SB'), equipped with autonomous powers of initiative and control, which is specifically assigned, , the task of supervising the performance and compliance of the Organization and Control Model, as well as taking care of its updating, to also as a result of legislative changes, changes in the corporate structure or in presence of significant violations of the Model.

According to regulatory guidelines, industry guidelines, and case law, the organizational structure of the SB and its operation must ensure the existence of the following requirements:

- hierarchical autonomy with respect to the subjects to whom this Model applies;
- independence;
- professionalism;
- continuity of action;
- autonomous spending powers.

The necessary autonomy and independence must therefore be guaranteed to the Supervisory Body, due to its organizational standing in the corporate context, which requires it to be absolute with respect to the decision-making and operational corporate functions, Reporting directly to the Board of Directors.

Furthermore, in order to ensure absolute independence and autonomy in carrying out its duties, the supervisory body must hold powers of control and initiative, to be exercised freely and at its discretion without any authorization, and it must also receive the adequate financial resources necessary for the proper conduct of its activities.

Regarding the budget, the Board of Directors, upon the proposal of the Supervisory Body, annually decides on the allocation of the economic and financial resources deemed necessary for the execution of the entrusted task, and the Supervisory Body may request the Chairman of the Board of Directors, through a motivated written communication, the allocation of additional resources should it find it necessary during its activities.

In order to assist in defining and carrying out the activities within its competence and to enable maximum adherence to the relevant legal requirements and obligations, the Supervisory Body may rely on the support of the Organizational Units, as well as any third parties selected by it with specific expertise on the areas being analyzed/verified.

The SB autonomously establishes its own internal regulations (hereinafter also referred to as "Regulation") aimed at governing the aspects and methods of carrying out the tasks assigned to it.

It is also provided that the opinions expressed in good faith by the members of the SB in the performance of their mandate are unchallengeable (and that the members of the SB cannot be subjected in any way to any negative consequences or disciplinary sanctions in relation to them).

The SB operates autonomously and independently even with respect to the other Supervisory Bodies of the Group Companies (including the parent companies and/or clients of outsourced services), with which it promotes forms of collaboration and participates in meeting moments within the limits set out in the following paragraphs and in compliance with an equitable relationship that excludes any form of interference in the respective competencies and activities.

6.2 BFF Bank S.p.A. Supervisory Body structure and requirements

In particular, in accordance with what is prescribed by law and with the indications coming from judicial practice, the composition of the SB must meet the need to ensure the existence of the following requirements:

- autonomy and independence as:
 - The SB members are not entrusted with operational and/or management tasks in the Entity and any type of hierarchical and functional dependence as well as economic and/or personal interference and conditioning from the top management body is not allowed., the members of the SB are not directly or indirectly involved in the development and implementation of the Company's decisions;
 - the activities carried out by the SB are not subject to any form of interference and/or conditioning by entities involved in management activities;
 - external members are identified among professionals of proven authority and experience, free from operational duties and interests that could conflict with the assignment, influencing their autonomy of judgment and evaluation.
- Professionalism as:
 - the internal members are chosen for their specific skills in internal control systems and inspection activities as well as for their organizational and operational knowledge related to the areas of operation of the Company and the Group;
 - External members are selected based on their adequate professional skills and specialized expertise in legal, economic, and financial matters.
- continuity of action, ensured by the choice among the members of the SB (requiring appropriate self-certification) of an internal member of the organizational structure of the Company, who, operating on a stable basis within it and meeting as provided by the Regulation, is able to ensure the necessary continuity in the supervisory activity.

The members of the SB must also have eligibility requirements. Reasons for ineligibility and/or incompatibility of the members of the SB are:

- to be or become a member of the board of directors
- to be a holder, directly or indirectly, of shareholdings in the Company, such as to allow the exercise of control or a significant influence or such as to compromise independence;
- provide or to have provided their work activity on behalf of the audit firm of the Bank or another company of the Group in the last three years, participating as a legal auditor or audit manager or in management and supervision roles, in the audit of the financial statements of the Company or another company of the Group;
- existence of relationships by blood, marriage, or affinity within the fourth degree with members of the Board of Directors or the Board of Statutory Auditors of the Bank, as well as with the same members of the controlling and/or possibly controlled companies;
- to directly or indirectly have, excluding the permanent employment relationship, economic relationships and/or contractual relations, for a fee or free of charge with the Bank, with controlled companies and/or with their respective directors, of such significance as to compromise their independence;
- to be bearers - by making a specific statement at the time of appointment - of conflicts of interest, including potential ones, with the Bank;
- having performed, at least in the three previous exercises prior to the assignment of the task, functions of administration, management or control in companies subject to bankruptcy, compulsory liquidation or equivalent procedures, or in companies operating in the credit, financial, securities or insurance sectors undergoing extraordinary administration procedures.
- to be the recipient of a decree that orders the judgment for one of the underlying offenses provided for by the Decree or of the same nature;
- to be in the legal condition of being interdicted, incapacitated, bankrupt or sentenced to a punishment that involves interdiction, even temporary, from public offices or the incapacity to hold management positions
- to hold positions in the management, supervisory, control, and top bodies of competing companies or groups of companies;
- to be in a state of temporary interdiction or suspension from the executive offices of legal entities and companies;
- to be in one of the conditions of ineligibility or forfeiture provided for by Article 2382 of the civil code;

- to have been subjected to preventive measures under the law of December 27, 1956, no. 1423 or the law of May 31, 1965, no. 575 and subsequent amendments and integrations, without prejudice to the effects of rehabilitation;
- to be the recipient of a decree that orders the judgment in relation to one of the predicate offenses provided for by Legislative Decree 231/01
- having been sentenced to a conviction or plea bargain, even if not final, even if with a conditionally suspended sentence, save for the effects of rehabilitation or extinction of the offense:
 - ✓ for one of the crimes provided for by the royal decree of March 16, 1942, no. 267 (bankruptcy law);
 - ✓ for one of the offenses provided for in Title XI of Book V of the Civil Code (societies and consortia);
 - ✓ for a crime against the public administration, against public faith, against property, against the public economy or for a crime related to taxation;
 - ✓ for one of the offenses provided for by the regulations governing banking, financial, movable, insurance activities and by the regulations regarding markets and securities, and payment instruments;
 - ✓ for any other non-negligent crime, for a period of not less than one year.

The occurrence of a cause for ineligibility/incompatibility during the performance of the office of SB member results in the forfeiture of the position.

The Board of Directors ensures the autonomy and independence of the Supervisory Body as a collegial group, by:

- observing the appointment criteria outlined above;
- approving its annual expenditure budget;
- providing it with suitable instruments to be able to carry out its activities, also with the assistance of the Bank's Corporate Structures or of external consultants;
- granting access to all areas of the Bank - without the need for prior consent - in order to obtain any information or data deemed necessary for carrying out the tasks provided for by the Decree;
- prohibiting other corporate bodies or structures from criticising the activities carried out by the Supervisory Body, without prejudice to the obligation of the Supervisory Body to diligently fulfil its regulatory duties.

By virtue of what has been illustrated above, the Board of Directors of the Bank considers it consistent with such provisions to appoint a collegial Supervisory Body made up of three members, including two appointed from outside of the Company in possession of the independence and eligibility requirements

listed above, which include those provided for in art. 148 paragraph 3 of Legislative Decree 58/1998 (TUF)¹.

One of the external members must have expertise and experience in corporate criminal law.

With particular reference to the independence requirements, the assessment of the situations considered by the regulations is conducted in relation to the actual suitability to compromise the autonomy of judgment of the individuals involved, taking into account the specific circumstances and situations.

An external member is given the position of chairman of the Supervisory Body. The internal member corresponds to the responsible of the Internal Audit Function.

In order to enable the SB to carry out a meaningful monitoring activity on the implementation of the Model, its effectiveness and its actual functioning, as well as to meet the need for constant updating of the Model, it is essential for the SB to be able to interface easily with all corporate entities without the need for any prior consent.

Reason for which, the corporate organization must be such as to identify the Heads of the various Departments/Functions/Organizational Units who have operational responsibility for each sector of activity in which it has been recognized, at present, the existence of hypotheses of risk of commission of the crimes identified by the Decree.

The establishment of the Heads of Departments/Functions/Organizational Units remains to guarantee a more concrete and therefore effective possibility of implementation of the Model, representing the same an effective operational and informative link between the SB and the individual Departments, Functions and Organizational Units within which risk profiles have been identified.

The presence of the Heads of the Departments/Functions/Organizational Units constitutes an efficient fulfillment of the obligation to effectively implement the Model, since these are the individuals who can best enable effective assistance to the SB for the purposes of fulfilling its supervisory obligation, in view of the fact that they are the individuals who best know the concrete operation and current functioning of the activities identified in the risk areas they oversee.

¹ Art. 148 paragraph 3

3. Mayors cannot be elected and, if elected, shall be removed from office: a) those who are in the conditions provided for by article 2382 of the civil code; b) the spouse, relatives, and in-laws up to the fourth degree of the administrators of the company, the administrators, the spouse, relatives, and in-laws up to the fourth degree of the administrators of the companies controlled by it, of the companies that control it, and of those under common control; c) those who are linked to the company or to the companies controlled by it or to the companies that control it or to those under common control or to the administrators of the company and to the subjects referred to in letter b) by self-employment or subordinate employment relationships or by other relationships of a patrimonial or professional nature that compromise their independence.

6.3 BFF Bank S.p.A. Supervisory Body appointment, term of office, revocation

The Supervisory Body is appointed by the Board of Directors of the Company , which must preliminarily assess and certify (also by acquiring resumes and self-declarations) the existence of the requirements referred to in paragraph 6.2, specifically:

- the requirements of independence, autonomy, professionalism, and continuity of action that must characterize the work of the Body;
- the subjective eligibility requirements of each of its members.

The appointment must be made known to each appointed member and formally accepted by them, and it must include the definition of the compensation to which they are entitled.

The term in office of the members of the Supervisory Body is the same as that of the Board of Directors which appointed them.

The SB remains in office until the natural expiration provided for in the act of appointment, unless a cause for early termination occurs. external members of the SB can be renewed for a maximum of three consecutive terms.

As for the reasons for termination from the position, it is necessary to distinguish between those that concern the entire Supervisory Body and those that concern individual members.

In particular, the termination of the position involving the entire Supervisory Body may occur for one of the following reasons:

- expiration of the assignment;
- resignation of all members of the Body, formalized by appropriate written communication sent to the Board of Directors;
- revocation of the Supervisory Board by the Board of Directors.

The termination of the appointment of a single member may occur:

- due to the cessation of the office or role held;
- following a resignation from the position, (for example through voluntary resignation which must be communicated in writing to the other members of the Supervisory Board and the President of the Board of Directors.
- in the event that one of the causes for expiration and/or incompatibility mentioned in the previous paragraph 6.2 occurs;
- following revocation by the Board of Directors;
- death.

In that case, the same Board of Directors, having verified the cause of termination, promptly arranges to appoint the new members, ensuring compliance with the appointment requirements set out in paragraph 6.2.

In order to ensure the absolute independence of the Supervisory Body, the revocation can only occur for just cause, understood as:

- a serious negligence in carrying out the duties related to the position, including the violation of confidentiality obligations;
- the possible involvement of the Company in a criminal or civil proceeding related to omitted or insufficient supervisory activity, even if negligent;

Additional grounds for revocation of the Supervisory Body or one of its members are:

- to hold the position of administrator of one of the Group's Companies;
- being a holder, directly or indirectly, of shareholdings in the Company that allow the exercise of control or a significant influence, or that compromise independence;
- unjustified absence, during the financial year, from two consecutive meetings of the Body;
- with reference to the external member, assigning operational functions and responsibilities within the corporate organization that are incompatible with the requirements of autonomy and independence and continuity of action characteristic of the Supervisory Body.

In general, the revocation for just cause is decided by a resolution of the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

6.4 Supervisory Body duties and responsibilities

The Supervisory Body, which operates by exchanging information with the Board of Statutory Auditors and with the Corporate Control Functions in accordance with the provisions of art. 6, paragraph 1b) of the Decree, is entrusted with the task of supervising:

- on effective compliance with the Model by the Recipients, as well as, to the extent provided therein, by all the Bank's collaborators, business and financial *partners*;
- the real effectiveness and adequacy of the Model in relation to the corporate structure and the actual ability to prevent the offences referred to in Legislative Decree no. 231/2001;
- on the desirability of updating the Model, where it is found to be necessary to adapt the Model – urging the Board of Directors to do so – made necessary by:
 - significant breaches of the provisions of the Model;
 - significant changes in the internal structure of the Bank and/or of Group companies, in the business activities, or in their methods of execution;
 - regulatory changes;

In order to fulfil the first of the above tasks, the Supervisory Body is entrusted with the following duties:

- take care of the updating and implementation of the Model, attending with care and diligence to the

needs for updating the same originating also from changes in legislation, corporate structure or significant violations of the Model, reporting them promptly to the Board of Directors;

- indicate to the Board of Directors an adequate annual budget for the performance of the activities under the SB's responsibility and, in case of special needs, submit a reasonable proposal for its increase;
- prepare the semi-annual plan of audits on the adequacy and functioning of the Model by reporting the same in the Semi-annual Report referred to below;
- carry out audits on an ongoing basis, as part of the six-month plan, on the activities or operations identified in the areas at risk, making use, if necessary, also of the Heads of Departments/Functions/Organizational Units, in order to assess compliance with and operation of the Model;
- to carry out targeted audits of specific transactions or acts, carried out by the Bank, especially within the areas of risk of Offence, the results of which must be summarized in a special report to be exposed when reporting to the Board of Directors;
- verify that the elements provided for the implementation of the Model (adoption of standard clauses, completion of procedures, etc.) are in any case adequate and corresponding to the requirements of compliance with the Decree;
- review reports and reports from the Heads of Functions/Departments/Organizational Units, in order to identify possible deficiencies in the functioning of the Model and/or possible violations thereof;
- collect, process and store information relevant to compliance with the Model; in particular, regulate the flow of information from the Heads of Functions/Departments/Organizational Units;
- set up a dedicated e-mail box in order to receive from the corporate structures any requests for clarification regarding doubtful cases or problematic hypotheses, as well as solicitations for interventions aimed at implementing the Model;
- promote appropriate training initiatives aimed at disseminating knowledge and understanding of the Model;
- evaluate reports of possible violations and/or non-compliance with the Model and conduct investigations to ascertain possible violations of the Model's requirements;
- report the violations established to the competent body for the possible initiation of disciplinary proceedings, as well as, in general, for the adoption of appropriate measures;
- monitor the correspondence of risk areas 231 with the corporate organizational chart, where the organization of the Bank as a whole is described with the specification of Functions/Departments/Organizational Units;
- requesting and/or assigning to third parties - possessing the specific knowledge for the best execution of the assignment - any tasks of a technical nature.

As for the updating of the Model, pursuant to Article 6, paragraph 1, letter a) Legislative Decree 231/01, the adoption of any amendments to it is the responsibility of the Board of Directors, assisted by the Supervisory Body, which constantly and continuously takes care of the need for adjustment.

In order to ensure proper performance of its functions regarding the updating of the Model, the SB has full access – without the need for any prior consent – to company documentation that may be relevant for the purposes of verifying the proper functioning of the Model.

The SB remains, in any case, recognized the power/duty both to relate with the subjects legitimized by law to the control activity, and to solicit the verification of the existence of the elements required by law for the purpose of proposing liability actions or revocation for just cause.

When appointing the Supervisory Body, the Board of Directors resolves on the annual budget available to the Supervisory Body for any consulting assignments that may be necessary in the performance of its activities. This budget may also be adjusted annually on the recommendation of SB.

6.5 Supervisory Body Reports

On a half-yearly basis, the Supervisory Body reports to the Board of Directors and the Board of Statutory Auditors on the implementation of the Model and any relating critical issues and sends the Board of Directors a report detailing the monitoring and control activities carried out on the adequacy and operation of the Model, and the outcome of same.

The Chairman of the Supervisory Body or, in the event of his impediment, a member of the Supervisory Body participates at least every six months in the meetings of the Board of Directors, when submitting the half-yearly report and/or any updates to the Model.

If the Supervisory Body becomes aware of particularly serious or significant circumstances concerning members of the Board of Directors or Senior Staff, it will promptly notify the Board of Statutory Auditors.

6.6 Confidentiality

The Supervisory Body shall keep confidential any information acquired while exercising its duties and shall ensure the confidentiality of information received as a result of reported alleged violations of the Model; moreover, it abstains from seeking and using confidential information for purposes other than those strictly related to its role, and in any case for purposes not falling within its purview.

Any information in the possession of the Supervisory Body is processed in accordance with the in-force privacy legislation.

A breach of this confidentiality obligation is considered a serious violation of the Model.

6.7 Information flows to the Supervisory Body

The Decree also provides for a duty of information to the SB, concerning all information and documents that must be brought to its attention, in accordance with the provisions of the Protocols.

Reports to the SB may be of various kinds and concern both violations, or alleged violations, as well as facts, ordinary and extraordinary, relevant to the implementation and effectiveness of the Model in

accordance, inter alia, with the provisions contained in the "*Regulation of Corporate Bodies, Control Functions and Information Flows*" adopted by the Bank, also in its capacity as parent company of the Group, for the purposes and to the effects of the provisions of the law and regulations.

Communications intended for the SB may be addressed to the following address:

BFF Bank S.p.A. Supervisory Body

Viale Ludovico Scarampo n.15 – 20148 Milano

(Strictly confidential)

or sent to the e-mail address:

OdV231@bff.com

Extraordinary Reports

The following should also be reported to the SB in a timely manner:

- measures and/or news from judicial police bodies (e.g., request for access), or from any other Authority, from which it can be inferred that investigative activities are being carried out, even against unknown persons, involving the Bank, or the Recipients of the Model in relation to the offences;
- news of inspections and investigations initiated by the Public Supervisory Authorities, the formal responses provided in this regard by the Bank and, at their conclusion, any findings made against the Bank and sanctions, if imposed;
- reports forwarded to the Bank by employees in case of initiation of legal proceedings against them for any of the Offences and related to the performance of their duties;
- reports prepared by the Corporate Structures as part of their control activities, from which facts, acts, events or omissions with profiles of criticality with respect to the rules of the Decree may emerge;
- information on the initiation of investigations aimed at ascertaining and, if necessary, sanctioning non-compliance with the principles of conduct and internal procedures provided for by the Model, as well as information on any sanctions imposed, or of the measures of dismissal of such proceedings with the reasons for them.

Periodic information flows

This involves information, data and news that enable the Supervisory Body to supervise the functioning and observance of the Model by proposing, where the prerequisites are met, the appropriate updates, in order to make the Bank's organizational and internal control measures more effective as well as to increase the level of knowledge of the Bank, to acquire information suitable for assessing the riskiness inherent in certain sensitive processes, as well as to carry out its own verification and supervisory activities regarding the effectiveness and observance of the Model.

Below are the different types of information flows that the Bank's Structures transmit to the Supervisory

Body:

- **standard annual/semi-annual information flows**, to be produced by the Recipients of the Model, with reference to sensitive activities and processes referable to them (e.g. changes in the scope of sensitive activities under their responsibility and included in the protocols, changes in the internal reference regulations, process anomalies/behavioral exceptions with respect to the principles defined in the protocols, actions on which the Recipients are involved in relation to interventions of the company control functions insisting on sensitive activities);
- **specific annual/semi-annual information flows**, consisting of summary information, having a technical and/or managerial nature, also transmitted in the form of “key risk indicators” functional to the identification and in-depth analysis of possible points of attention related to specific risk activities (e.g. exceptions to standard processes and procedures), as well as to the construction over time of “trend analysis” for the detection of possible anomalous trends. These flows are requested from the structures identified as the point of connection of relevant activities/data with respect to the object of each flow;
- **event-specific information flows**, consisting of particularly relevant and significant information with respect to the Organization and Management Model and therefore, by their very nature, must be reported to the Supervisory Body in a timely manner;
- **annual information flows from the Control Functions and other functions of the Bank** that, by virtue of their attributions carry out activities relevant to Legislative Decree 231/01 (e.g. Internal Audit, Compliance and AML). These flows include the periodic findings of the control activities carried out by them to implement the Model.

In the normal performance of its functions, the Supervisory Body reserves the right, should it deem it appropriate and also due to “risk-based” considerations, to request any information necessary for the performance of its functions. Failure to comply with the provisions on information flows to the Supervisory Body constitutes a violation of the Model, in which case the penalty measures specifically provided for will apply.

7 WHISTLEBLOWING SYSTEM

7.1 Reporting system for violations regulated in the Bank's Whistleblowing Procedure

Particularly significant is the obligation for all Recipients of the Model and the Code of Ethics to report any conduct committed in violation of the provisions contained therein.

The Bank, in order to ensure responsible management and in accordance with legislative requirements, has implemented a system for reporting misconduct and violations pursuant to Legislative Decree 24/2023 (the so-called Whistleblowing System) and has identified an Internal Whistleblowing System Manager.

This system provides that any violations involving the following may be reported:

- illegal conduct relevant under Legislative Decree 231/2001, or violations of the organization and management models provided therein, which do not fall within the types of reporting under Article 2, paragraph 1, letter a), numbers 3), 4), 5), 6);
- offences that fall within the scope of the European Union or national acts indicated in the Annex to Legislative Decree 24/2023 or of the national acts that constitute implementation of the acts of the European Union indicated in the Annex to Directive (EU) 2019/1937, relating to the following areas: public procurement; services, products and financial markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;
- acts or omissions affecting the financial interests of the Union referred to in Article 325 of the Treaty on the Functioning of the European Union specified in the relevant secondary legislation of the European Union;
- acts or omissions concerning the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including violations of EU competition and state aid rules, as well as violations concerning the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
- acts or conduct that frustrate the object or purpose of the provisions of the acts of the European Union in the areas indicated in Article 2, paragraph 1, numbers 3), 4), 5) Legislative Decree 24/2023;
- violations in the banking sector pursuant to Articles 52-bis and 52-ter of Legislative Decree 385/1993 (special regulations of the TUB);
- potential or actual violations of the provisions provided for the prevention of money laundering and the financing of terrorism money laundering and the financing of terrorism (Legislative Decree 231/07 and Legislative Decree 109/07).

The above violations must be reported by reporting persons through the following channels, which are described in more detail below:

a) **internal reporting channels** activated by the Bank:

RECIPIENT	CHANNEL
	IT Platform: https://www.bff.com/en/whistleblowing
Responsible for the Internal Whistleblowing System – SB	Meeting with the SB of BFF Bank S.p.A. (Responsible for the Internal Whistleblowing System)
	Envelope to: SB BFFBank S.p.A., Viale Lodovico Scarampo, n. 15, 20148, Milano

b) **external reporting channel** activated by ANAC, only if the conditions provided for in Article 6 of Legislative Decree 24/2023 are met:

RECIPIENT	CHANNEL
ANAC (Italian National Anti-Corruption Authority)	https://whistleblowing.anticorruzione.it/#/

c) **public disclosure**, only if the conditions stipulated in Article 15 of Legislative Decree 24/2023 are met.

If the report received through the internal reporting channel concerns a violation of the Bank's Model, and therefore, in the case of:

- violation of Model;
- violation of the Code of Ethics;
- conduct attributable to one of the predicate offences set forth in Legislative Decree 231/2001.

The SB is responsible for managing the report.

If the SB receives a whistleblowing report that does not pertain to a violation of the Bank's Model, it will

be the responsibility of the Internal Audit manager to handle the report or refer it to the competent structures.

On the functioning of the information channels and the methods of handling the reports, please refer to what is regulated in the specific "*Whistleblowing Procedure*", adopted by the Bank.

8 STRUCTURE OF THE PENALTY AND DISCIPLINARY SYSTEM

8.1 Purpose of the Disciplinary System

Art. 6, paragraph 2e) and art. 7, paragraph 4b) of the Decree establish (with reference both to senior staff and subordinate employees) the need to set up a *"suitable disciplinary system to punish non-compliance with the measures set forth in the Model"*.

The definition of penalties - which must be proportionate to the breach and have a deterrent capacity, and which are applicable after having heard the person concerned and in the event of violation of the minimum measures contained in the Model - aims to contribute: (i) to the effectiveness of the Model itself, and (ii) to the effectiveness of the Supervisory Body's control activities.

Application of the disciplinary system is independent of any criminal proceedings initiated by the competent judicial authorities, and of their outcome. Indeed, the Model may only be considered effective if it implements a disciplinary system that penalizes conduct that may give rise to an offence. If this were not the case, we would have the mere duplication of the penalties imposed by legislation. Instead, it makes sense to adopt a disciplinary system if this acts as an internal safeguard in addition to the "external" penalties applied by the State.

Pursuant to the combined provisions of Articles 6 co. 2 lett. e), 6 co.2- bis lett. d) and 7 co. 4 lett. b) of Legislative Decree 231/2001, the sanctions provided for in this Disciplinary System apply to disciplinary offences arising from failure to comply with the procedures and requirements provided for or referred to in the General Section of the Model and in the Special Sections thereof, as well as in the Protocols and/or the Group Code of Ethics or the *"Whistleblowing Procedure"* limited to what is relevant for the purposes of Legislative Decree 231/01 and as established in the Model itself.

In relation to employed staff, the Bank must observe the limits referred to in art. 7 of Law no. 300/1970 (hereinafter, the **"Workers' Statute"**) and the provisions of the CCNL, both with regard to the penalties that may be imposed and the procedures for exercising disciplinary powers

8.2 Description of the Disciplinary System – Violation of the Model

For the purposes of complying with the Decree, below are some examples of possible violations of the Model:

- the implementation of actions or conduct that do not comply with the prescriptions of the Model, or the omission of actions or conduct prescribed by the Model, in the performance of Activities Sensitive to 231 risk-offences (the so-called **"Sensitive Activities 231"**);
- the implementation of actions or behaviors that do not comply with the prescriptions of the Model, or the omission of actions or behaviors prescribed by the Model (such as, for example, the failure to transmit the periodic or event-driven information flows prescribed in the Model within the terms specified therein), in the performance of activities related to Sensitive Activities 231, which:
 - expose the Bank or the Group to the objective risk of commission of one of the offences covered

- by the Decree; and/or
- are clearly directed at fulfilling one or more offences; and/or
- are such as to determine the application, against the Bank, of the penalties provided for by the Decree;
- the implementation of actions or behaviors that do not comply with the principles contained in the Group's Code of Ethics or the omission of actions or behaviors prescribed therein, in the performance of Sensitive Activities 231 or activities related thereto.

8.3 Disciplinary System for Senior Management

The realization of cases of offence or violation of the Group's Code of Ethics, the Model and/or the relevant Protocols by the Executive corresponds to the initiation of the procedure for ascertaining the breaches, aimed at determining the actual culpability of the person under investigation and, ultimately, the appropriate sanction to be applied. In particular, if the potential commission of a violation by a Manager is reported to the Supervisory Body, it will be the task of the Board itself, availing itself of the cooperation of the Internal Audit Function to carry out any necessary investigation and verification.

Having defined the responsibility of the investigated or reported person, the sanctions provided for in the Disciplinary System currently in force will be applied to him/her.

In cases where the violations are characterized by gross misconduct, subsisting where Protocols preventing the risks of crime are disregarded, or conduct is engaged in such as to recognize a serious breach of discipline and/or diligence in work such as to radically undermine the Bank's trust in the manager, the Bank may proceed to the early termination of the employment contract, or the application of another sanction deemed appropriate in relation to the seriousness of the act.

In the event that the violations are characterized by malicious intent, for example in the case of cheating on the Protocols, the Bank will proceed to the early termination of the employment contract without notice pursuant to Article 2119 of the Civil Code and the CCNL. This is because the act itself must be considered to have been carried out against the Bank's will in the interest or for the benefit of the manager and/or third parties.

In any case, the Bank reserves the right to proceed with civil actions (for damages) and, where appropriate, criminal actions to protect its rights.

8.4 Disciplinary System for Subordinates

In the event of a middle manager or employee of the Bank allegedly violating the provisions of the Model, checking procedures will be initiated in order to verify the actual breach of obligations, determine the actual guilt of the party investigated, and ultimately decide on the penalty to be applied. In particular, if the Supervisory Body is notified of the potential commission of a violation by one of the aforementioned parties, said Board is responsible – in collaboration with the Internal Audit Function and with the Corporate Structure concerned – for conducting any necessary checks.

Once the responsibility of the investigated party has been ascertained, the Bank will apply the penalties provided for by the disciplinary system of the National Collective Labour Agreement in force; in particular, these may be:

- Disciplinary measures, these may be:
 - verbal reprimands²;
 - written reprimands³;
 - suspension from service and suspended salary for a period not exceeding 10 days⁴;
 - dismissal for justified reasons⁵;
 - dismissal for just cause⁶;
- penalties, in accordance with the provisions of art. 7 of the Worker's Statute⁷.

In any case, the Bank reserves the right to recourse to civil actions (for damages) and, if appropriate, to penalties for the protection of its rights.

8.5 Disciplinary System for external collaborators and entities operating with a mandate from the Bank

Any conduct carried out by collaborators, consultants or other third parties bound to the Bank by a contractual relationship other than employment, in conflict with the lines of conduct identified by the

² Slight failure to comply with the rules of conduct set forth in the Company's Code of Ethics and the internal regulations issued pursuant to the Decree and/or Model 231; tolerance of minor irregularities committed by one's subordinates or other members of Personnel pursuant to the internal regulations issued pursuant to the Decree and/or Model 231.

³ Repetition of misconduct punishable by verbal reprimand; non-serious failure to comply with the rules of conduct set forth in the company's Code of Ethics and the internal regulations issued pursuant to the Decree and/or Model 231; failure to report or tolerate non-serious irregularities committed by one's subordinates or other personnel pursuant to the internal regulations issued pursuant to the Decree and/or Model 231; failure to comply with the action plans and measures adopted by the Supervisory and Control Board pursuant to the Decree and/or Model 231.

⁴ Violations punishable by lower penalties - see lett. a) and b) - when, due to objective circumstances, specific consequences, or recidivism, they are of greater significance; repeated or of a certain severity failure to comply with the rules of conduct set forth in the company's Code of Ethics or internal regulations issued pursuant to the Decree and/or Model 231; failure to report or tolerate serious irregularities pursuant to the Decree committed by one's subordinates or other personnel and/or Model 231; negligence pursuant to the Decree of a certain severity or which has had negative repercussions for the company or third parties.

⁵ Violation of the rules of conduct set forth in the Code of Ethics or of the duties inherent in the disciplinary sphere, the company's directives on the prevention of the crimes provided for in the Decree and/or Model 231, such as to constitute, due to the particular nature of the failure or its recidivism, a significant breach of the obligations related to.

⁶ Infringement of internal regulations issued pursuant to the Decree and/or Model 231 that is so serious, either because of the wilfulness of the act or because of its criminal or pecuniary repercussions or because of its recidivism or its particular nature, as to undermine the trust on which the employment relationship is based, and not to allow in any case the continuation, even provisional, of the relationship performance of undue acts or failure to perform acts that are due under the internal regulations issued pursuant to the Decree and/or Model 231, which has caused, at the end of a judicial process, the Bank to be sentenced to fines and/or disqualification for having committed the crimes provided for in the same Decree.

⁷ Disciplinary rules relating to sanctions, the offences in relation to which each of them may be applied and the procedures for challenging them must be brought to the attention of workers by posting them in a place accessible to all; the employer may not take any disciplinary action against the worker without first challenging him or her and without first hearing his or her defense; disciplinary measures more serious than a verbal reprimand may not be applied until five days have elapsed since the written challenge of the fact giving rise to it.

Model and/or the Group Code of Ethics, may result in termination of and/or withdrawal from the contractual relationship, as provided for by specific contractual clauses included in the letters of appointment or in negotiating agreements.

This does not prejudice the right of the Bank to seek compensation for any greater damage suffered as a result of the behaviour of the collaborator, consultant or third party, regardless of the termination of the contractual relationship.

8.6 Disciplinary System for Directors

In the event of offences or breaches of the Code of Ethics, the Model and/or its Protocols allegedly committed by the Directors of the Bank, the Supervisory Body shall inform the entire Board of Directors and the Board of Statutory Auditors; these will take the appropriate measures (if necessary, and in any case where there is reasonable suspicion of the commission of an offence), and revoke, on a precautionary basis, any proxies and powers conferred on the Director concerned.

In the event of serious violations of the Model or Protocols by Directors of the Bank, this may be considered just cause for their dismissal.

A serious unjustified violation by the Directors of the Bank is the committing of offences or conduct aimed at committing same.

Where appropriate, the Bank will initiate legal proceedings for compensation for damages and/or any civil and criminal proceedings deemed appropriate and actionable.

8.7 Disciplinary System for Auditors

In the event of offences or breaches of the Code of Ethics and/or the Model allegedly committed by the Statutory Auditors of the Bank, the Supervisory Body shall inform the entire Board of Directors and Board of Statutory Auditors, which will take the appropriate measures. In the event of serious violations of the Model or Protocols by Statutory Auditors of the Bank, this may be considered just cause for their dismissal from the office of Statutory Auditor.

A serious unjustified violation by the Statutory Auditors of the Bank is the committing of offences or conduct aimed at committing same.

Where appropriate, the Bank will initiate legal proceedings for compensation for damages and/or any civil and criminal proceedings deemed appropriate and actionable.

8.8 Disciplinary System for Supervisory Body

In the event of offences or breaches of the Code of Ethics and the Model by members of the Supervisory Body, the Board of Directors, having heard the opinion of the Board of Statutory Auditors, will take the appropriate measures based on the seriousness of the circumstances.

In the event of serious violations, this may be considered just cause for dismissal.

A serious unjustified violation is the committing of conduct aimed at committing offences and the breach of confidentiality agreements.

Where appropriate, the Bank will initiate legal proceedings for compensation for damages and/or any civil and criminal proceedings deemed appropriate and actionable.

8.9 Disciplinary System for violation of the "Whistleblowing System"

In addition, the Bank may apply the disciplinary sanctions analyzed in this chapter, to the respective perpetrators of the violation of the so-called "Whistleblowing System" and, in particular, in case of:

- violation of obligations to maintain the confidentiality of the reporting person;
- violation of the prohibition of retaliatory or discriminatory acts. In particular, the adoption of retaliatory acts or discriminatory measures against the reporting person may, in addition to the reporting person, also be reported to the National Labor Inspectorate, for the adoption of measures within its competence, by the labor organization indicated by the reporting person;
- reports of violations that are unsubstantiated and made with malice or gross negligence;
- ascertainment, even by a judgment of first instance of the reporting person's criminal liability for the crimes of defamation or slander or in any case for the same crimes committed with the report to the judicial or accounting authority or his civil liability, for the same title, in cases of willful misconduct or gross negligence.

Retaliatory or discriminatory dismissal of the reporting person is null and void. Change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures taken against the reporting person are also null and void.

It is the Bank's burden, in the event of disputes related to the imposition of disciplinary sanctions or to demotions, dismissals, transfers or subjecting the reporter to any other organizational measure having direct or indirect negative effects on working conditions, after the submission of the report, to prove that such measures are based on reasons unrelated to the report itself.

8.10 Procedure for determining violations and enforcing penalties

The procedure for the imposition of sanctions resulting from the violation of the Model and/or the Group Code of Ethics differs with regard to each category of Recipients as to the stages of:

- ascertainment of the violation;
- contestation of the violation to the person concerned;
- determination and subsequent imposition of the sanction.

The Supervisory Body, as part of its duties to supervise the operation of and compliance with the Model, as well as by virtue of the autonomous powers of initiative and control with which it is endowed, supervises the activities inherent in the assessment of violations and the imposition of sanctions, overseen by the relevant structures and/or bodies depending on the type of Recipients, which also act on the basis of the investigative activities carried out by the company's control functions and/or with control duties.

In particular:

- the Head of the Human Resources & Organizational Development Function oversees the activities with respect to Senior Management and Subordinates, in order to enable the possible taking of the measures indicated in Section 8.3 and 8.4;
- the Board of Directors oversees the activities with respect to Directors, Statutory Auditors and members of the Supervisory Body, with the exclusion of any individuals involved and/or affected, in order to enable the taking of the measures indicated in Sections 8.6, 8.7 and 8.8;
- the Head of the structure that manages the contractual relationship with collaborators and external parties operating under the mandate of the Bank oversees, in collaboration with the competent function of the Group General Counsel & Business Legal Affairs Department, the activities vis-à-vis these collaborators and external parties, in order to enable the taking of the initiatives provided for in the contractual clauses indicated in Section 8.5.

The Supervisory Body ensures, where necessary by giving impetus, that these subjects preside over the initiation of investigation activities aimed at ascertaining potential violations of the Model and/or the Code of Ethics, in response to any reports received and whenever it deems it necessary depending on the information acquired as part of its supervisory activities.

Said subjects avail themselves of the support of the company functions of control and/or with control duties that conduct the investigation activities and may confront with the Compliance & AML Function in order to understand the actual potential existence, within the conduct of the Recipients being investigated, of relevant profiles pursuant to Legislative Decree 231/2001 and/or relating to the violation of the Model and/or Code of Ethics.

Said subjects shall communicate the outcome of the investigative activities conducted to the Supervisory Body, which - in the case of the actual existence of the aforementioned profiles - shall ensure that the same shall preside over the initiation of the consequent measures against the subjects identified as responsible for the conduct ascertained, ensuring that the assessments regarding the possible initiation of measures and the determination of any measure shall also take into consideration the aforementioned profiles. To this end, the relevant structures/bodies bring to the attention of the Supervisory Body the outcome of their respective assessments and decisions in this regard, so that it can assess their adequacy and consistency with the provisions of the Model.

Finally, the individuals listed above report on a regular basis regarding the proceedings closed and sanctions imposed.

9 TRAINING AND INFORMATION

Wide disclosure shall be made, within and outside the Bank and the Group, of the principles contained in the Model. The Bank undertakes to facilitate and promote understanding of the Model by Staff, with a varying degree of insight depending on the position and role.

In the event of introducing significant changes/integrations to the Model, suitable training and informative activities will be scheduled involving its Recipients.

The disclosure covers all documentation and internal regulations (e.g., authorization powers, procedures, reporting lines, information flows, and anything that contributes to transparency in the Bank's daily operations must be disclosed), including this document.

Moreover, all the staff must be given the opportunity to access and consult the documentation making up the Model: to this end, the documentation, the internal regulations and this Model are placed at the disposal of the entire Bank through the corporate intranet.

Communication and training on the rules of the Decree and the content of the Model are promoted and supervised by the Supervisory Body, with the help of the Functions/Departments/Organizational Units and of external consultants.

9.1 Communication to members of the Corporate Bodies

The Model is examined by the Bank's Board of Directors and Board of Statutory Auditors during the board meeting called to resolve upon its adoption and/or amendment.

9.2 Staff training and communication

The principles and contents of the current Model are communicated to all employees of the Bank by holding special training days organized annually. Attendance at the training courses is mandatory and, in this regard, special attendance control garrisons are established.

Senior Management receive a copy of the Model and any updates to it. In addition, a copy of the updated Model is made available to all employees on the company intranet.

9.3 Disclosure to third parties

In order to make third parties who come, for any reason, into contact with the Bank aware of the Bank's adoption of the Model, the Group's Code of Ethics is published on the Bank's website (www.bff.com), as well as the information regarding the adoption of this Model.

Likewise, in contracts concluded by the Bank with third parties, the Group's Code of Ethics is attached. When concluding the contract, the third parties will declare that they have read and are familiar with this Model and the adopted Code of Ethics, undertaking, moreover, to abide by the principles set out therein. These contracts will contain specific termination and/or withdrawal clauses related to the non-fulfillment of the mentioned obligations.

SPECIAL SECTIONS – Protocols

- Board of Director;
- Chief of Executive Officer;
- Factoring & Lending Department;
- Transaction Services Department;
- Finance & Administration Department;
- Technology & Processes Improvement Department;
- Compliance & AML Function;
- Internal Audit Function;
- Risk Management Function;
- General Counsel & Legal Affairs Function;
- Human Resources & Organizational Development Function;
- Investor Relations, Strategy, M&A Function;
- Communications & Institutional Relations Function;
- Chief of Staff Function;
- Spain Branch (BFE);
- Portugal Branch (BFP);
- Poland Branch (BFPL);
- Greece Branch (BFG).

ANNEXES:

- **Annex I:** List of offences pursuant to Legislative Decree 231/01;
- **Annex II:** Information flows to the Supervisory Body.