

**Organization, Management and Control Model
for the prevention of crimes**

SACE S.p.A.

(Legislative Decree No. 231/2001)

Approved by resolution of the Board of Directors of 27 February 2018

GENERAL SECTION

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1. INTRODUCTION

1.1. Introduction to the Organization, Management and Control Model

This document represents the formalization of the Organization, Management and Control Model (hereinafter also referred to as the "Model") pursuant to and for the purposes of Legislative Decree No. 231 of 8 June 2001, containing the "Discipline of the administrative responsibility of legal persons, companies and associations, even without legal form" (hereinafter also referred to as the "Decree"). This document is the result of careful analysis of the corporate structure and transactions of SACE S.p.A. (hereinafter also referred to as "SACE" or the "Company") handled with the primary goal of providing it with a Model that represents an exemption from administrative responsibility in the event of the commission of crimes listed in the aforementioned Decree by the Parties who are part of the corporate structure or acting on its behalf and in its name.

The Model is made up of:

- this "**General Section**" herein, after a reference to the principles of the Decree, the essential components of the Model are detailed with particular reference to:
 - Supervisory Board;
 - disciplinary system and measures to be taken in the event of failure to comply with the provisions of the Model;
 - staff training and dissemination of the Model in the business and non-business context.
- and a "**Special Section**" wherein:
 - the areas of specific interest in carrying out SACE activities for which a potential risk of committing the same offenses is abstractly configurable are identified, with reference to the offenses;
 - the controls and principles of the Internal Control System¹ suitable for preventing the commission of crimes are detailed.

With reference to offenses not included in the Special Section, it should be noted that, although all the predicate offenses were taken into account in the preliminary analysis phase, the probability of committing some of them was considered highly remote; with reference to these crimes, however, the Company complies with the essential principles expressed in the current Group Code of Ethics as well as with the general control principles described in this General Section.

¹ Group Code of Ethics, organizational provisions, corporate procedures, proxies.

1.2. Legislative Decree No. 231 of 8 June 2001

Legislative Decree No. 231 of 8 June 2001 has introduced into the Italian legal system the principle of **administrative responsibility of bodies** for specific types of **offenses committed for the benefit or in the interest of the bodies** by:

- “**top**” subjects such as:
 - people who hold representative offices;
 - people who hold administration offices;
 - persons who hold the management offices of the body or its autonomous organizational unit;
 - people who exercise, even de facto, the management or control of the Body.
- subjects “**under**” the management or supervision of the aforementioned subjects.

The Decree therefore sets itself the objective of striking, through the imposition of **sanctions**, the **Body** directly and not only the subjects that manage it (Directors, Executives, Managers, etc.) thus subverting the historic principle “*societas delinquere non potest*” that has always characterized Italian Criminal Law.

The responsibility of the legal person is therefore added to that of the natural person who materially committed the fact.

The existence of an exclusive advantage by the subject who commits the crime excludes the liability of the Body.

In addition to the existence of the requirements described above, the Decree also requires verification of the guilt of the Body, in order to be able to assert responsibility. This requirement is attributable to an “organizational fault”, to be understood as a failure by the Body to take adequate preventive measures to prevent the commission of the offenses listed below, by the subjects identified in the Decree.

The offenses from which the Body's administrative liability is made to be committed are those expressly and strictly referred to by the Decree. In particular, the administrative liability of the bodies can result from the following crimes:

- I. crimes in relations with the Public Administration (Articles 24 and 25 of the Decree);
- II. IT crimes and unlawful data processing (Article 24-bis of the Decree);
- III. organized crime offenses (Article 24-ter of the Decree);
- IV. crimes relating to forgery of coins, public credit cards, stamp duty and instruments or signs of recognition (Article 25-bis of the Decree);
- V. crimes against industry and trade (Article 25-bis 1 of the Decree);
- VI. corporate crimes (Article 25-ter of the Decree);
- VII. crimes of terrorism or subversion of the democratic order (Article 25-quater of the Decree);
- VIII. crimes against individual personality (Article 25-quinquies of the Decree);

- IX. female genital mutilation procedures (Article 25-quater 1 of the Decree);
- X. market abuse (Article 25-sexies of the Decree and Article 187-quinquies "Corporate responsibility" of the Consolidated Law on Finance);
- XI. transnational crimes introduced by Law No. 146 of 16 March 2006, "Law of ratification and execution of the United Nations Convention and Protocols against transnational organized crime";
- XII. manslaughter and culpable injuries in the presence of violations of workplace health and safety regulations (Article 25-septies of the Decree);
- XIII. crime of receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering (Article 25-octies of the Decree);
- XIV. copyright infringement crimes (Article 25-novies of the Decree);
- XV. crime of inducing not to make statements or to make false statements to the Judicial Authority (Article 25-decies of the Decree);
- XVI. environmental crimes (Article 25-undecies of the Decree);
- XVII. bribery offenses between private individuals (Article 25-ter letter s bis of the Decree);
- XVIII. crimes of employment of third-country citizens whose stay is irregular (Article 25-duodecies of the Decree);
- XIX. racism and xenophobia offenses (Article 25-terdecies of the Decree).

The sanctioning system defined by the Decree for the fulfilment of the crimes listed above provides, according to the offenses committed, the application of the following administrative sanctions:

- The *pecuniary sanction*, the measurement of which is determined in the number and value of the shares taking into account the seriousness of the event, the degree of responsibility of the Body and the activity carried out to eliminate or mitigate the consequences of the event or to prevent the commission of further offenses;
- the *disqualification sanction* (not foreseen for corporate crimes and market abuse) that may consist of:
 - disqualification from carrying out the activity;
 - suspension or revocation of authorizations, licenses or concessions functional to the commission of the crime;
 - ban on contracting with the Public Administration;
 - exclusion from concessions, loans, contributions or subsidies and possible revocation of those granted;
 - ban on advertising goods or services;
- *confiscation of the price* or profit of the crime;
- The *publication of the order* on a national newspaper.

Lastly, it should be remembered that the Public Prosecutor may request the application, as a precautionary measure, of one of the disqualification sanctions provided for by the Decree in cases where there are serious indications to believe that the Body is responsible and in cases where there are well-founded and specific elements that let people consider concrete the danger that illicit crimes of the same nature as the one for which they proceed are committed.

The Decree expressly provides (Articles 6 and 7) that the administrative liability of the Body is excluded if the Body has adopted an Organization, Management and Control Model suitable for preventing the offenses governed by the Decree and if the same has been effectively implemented.

It should be noted that, pursuant to Art. 6 and 7 of the Decree there is a difference of discipline and evidentiary regime for the hypotheses of crimes committed by subjects in top positions with respect to crimes committed by subordinates. In particular, in the event of a crime committed by persons in top positions, in order to benefit from the exemption established in the Decree, it is necessary for the Body to prove that:

- an Organization and Management model suitable for preventing such crimes has been adopted and effectively implemented before the commission of the crime;
- the task of supervising the functioning, updating and observance of the Model has been entrusted to a Department of the Body with autonomous initiative and control powers;
- there has been no omission or insufficient supervision by the Body;
- the Offender acted by fraudulently circumventing the Model.

In the event of crimes committed by subjects subject to the management or supervision of a Top subject, the public prosecution must provide evidence that:

- an Organization, Management and Control Model suitable for preventing such crimes has not been adopted and effectively implemented before the commission of the crime;
- the occurrence of the offense depended on the non-compliance with the management and supervision obligations of the Top subjects.

Therefore, in the case of crimes committed by Top subjects, the failure to adopt and effectively implement a Model will, in any case, give rise to the administrative liability of the Body.

If the offenses referred to in the Decree have been committed by "subordinate" subjects, the failure to adopt and effectively implement the Model will not result in the liability of the Body, since the public prosecution must prove that the commission of the offense has been made possible due to non-compliance with management and supervisory obligations. In this last case, therefore, the Public Prosecutor will have to prove that there has been the so-called "organizational fault".

A Model is considered effective (Article 6, paragraph 2) if it meets the following needs:

- it identifies the corporate activities in which offenses may be committed (the so-called "mapping" of activities at risk);
- it provides specific protocols aimed at describing the operating procedures, planning the formation and implementation of the Body's decisions in relation to the crimes to be prevented;
- it defines the procedures for managing financial resources suitable for preventing the commission of offenses;
- it provides information obligations towards the Body appointed to supervise the functioning and observance of the Model;

- it introduces a disciplinary system suitable for sanctioning non-compliance with the measures provided for by the Model.

The Decree requires, inter alia, that the Model provides:

- one or more channels that allow Top and Subordinate subjects to submit, for the protection of the Body's integrity, detailed reports of illegal conduct, relevant pursuant to the Decree and based on precise and concordant factual elements, or violations of the Model of the Body, which they have become aware of due to their functions. These channels must be suitable to guarantee the confidentiality of the identity of the Reporting Person in the reporting management activities;
- alternative reporting channels, of which at least one suitable to guarantee, even with IT methods, the confidentiality of the identity of the Reporting Party;
- the prohibition of retaliatory or discriminatory acts, direct or indirect, against the Whistleblower for reasons directly or indirectly connected to the report.

A Model is effectively implemented if it provides (Art.7, paragraph 4):

- a periodic verification and, if significant violations of the provisions are discovered or changes in the organization or activity or legislative occur, the modification of the same;
- sanctions imposed in case of violation of the provisions of the Model;
- in the disciplinary system, sanctions against those who violate the protection measures of the Reporting Person, as well as those who make fraudulent or grossly negligent reports that prove to be unfounded.

1.3. Crimes committed abroad

Article 4 of the Decree also provides that the administrative liability of the Body can take place even if the offenses referred to in the Decree are committed abroad, provided that the objective and subjective imputation criteria established by the Decree are met.

Bodies having their head office in the territory of the State are also liable in relation to crimes committed abroad in the cases and conditions provided for in Articles 7 to 10 of the Criminal Code, provided that:

- the state of the place where the crime was committed does not already proceed against the Body;
- the offense was committed abroad by a person functionally linked to the Body pursuant to art. 5, paragraph 1 of the Decree;
- the conditions set out in Articles 7, 8, 9, 10 of the Criminal Code apply

2. THE SACE MODEL

2.1. The Company

SACE is the Italian export credit agency wholly controlled by Cassa Depositi e Prestiti S.p.A.

SACE holds all the shares of SACE Fct, a joint-stock company operating in factoring and SACE BT, a joint-stock company active in the Credit, Surety and other property damage classes. Since September 2016, SACE has also held 76% of the capital of SIMEST, a joint-stock company that has supported the growth of Italian companies since 1991 by internationalizing their business. SACE carries out management and coordination activities on its subsidiaries, in order to ensure that their transactions comply, among other things, with the guidelines formulated by the parent company. For the purpose of identifying the relevant areas of activity pursuant to the Decree, reference should be made to the following activities carried out by SACE:

- insurance, reinsurance, co-insurance and guarantee of political, catastrophic, economic, commercial and foreign exchange risks, as well as of the complementary risks to which national operators and the companies connected or controlled by them are exposed, directly or indirectly, also abroad, in their foreign business in accordance with Legislative Decree No. 143/1998 and the CIPE (Inter-ministerial Committee for Economic Planning) resolutions of reference;
- release, at market conditions and in compliance with EU regulations, of guarantees and insurance coverage in relation to transactions of strategic importance for the Italian economy in terms of internationalization, economic security and the activation of production and employment processes in Italy pursuant to Law No. 296/2006;
- in addition, for the achievement of the corporate purpose, SACE is also authorized to perform all the acts and carry out the necessary, useful, instrumental or otherwise connected transactions.

All the commitments undertaken by SACE in carrying out its functions benefit from the guarantee of the Italian State pursuant to Legislative Decree No. 269/2003.

SACE's activities are governed by European Union legislation (including Directive 29/1998) and the Agreement on Officially Supported Export Credits ("Consensus"), signed in the OECD.

SACE respects the principles established by the Berne Union, an international body that brings together export credit companies and investment support agencies.

2.2. Corporate governance system and organizational structure

With a view to ensuring corporate governance arrangements, decision-making processes and an adequate organizational structure, SACE has adopted a "traditional" governance model, the structure of which is centred on a Board of Directors, a Board of Statutory Auditors, a CEO and a President.

For the purposes of implementing this Model, the organizational structure of the Company is also of fundamental importance, according to which the essential organizational structures, the respective areas of competence and the main responsibilities attributed to them are identified.

2.3. Intra-group relations

The services and relations between SACE and its subsidiaries are governed by specific service contracts signed by them.

The service contracts include, inter alia:

- the formal definition of the obligations and responsibilities of the principal company and the agent company;
- identification of the services to be provided;
- the insertion of specific clauses in which companies undertake, towards each other, to more rigorous compliance with the Models that the Parties declare to be familiar with and accept.

2.4. Purpose of the Model

Although the adoption of the Model does not represent an obligation imposed by the Decree, but an optional choice left to each individual body, SACE has decided to adopt the Model in the belief that it can represent a valid tool for raising awareness of all those operating in the name and on behalf of SACE and/or under its management and supervision, so that correct conduct can follow in carrying out its activities, such as to prevent the risk of committing the offenses listed in the Decree.

Through the adoption of the Model, the Company intends to pursue the following purposes:

- improving the *Corporate Governance* system;
- preparing a structured and organic system of prevention and control aimed at reducing the risk of committing crimes related to company activity with particular regard to the reduction of any illegal behaviour;
- spreading, in all those who work in the name and on behalf of SACE in the "areas of activity at risk", the awareness of being able to incur, in the event of violation of the provisions contained therein, in an offense liable to sanctions, both on a criminal and administrative context, not only towards it but also towards the Company;
- informing all those who work in any capacity in the name, on behalf or in any case in the interest of SACE that the violation of the provisions contained in the Model will result in the application of specific sanctions including the termination of the contractual relationship;
- reiterating that the Company does not tolerate illegal conduct, of any kind and regardless of any purpose, as these (even if SACE was apparently in a position to take advantage of it) are contrary to the ethical principles with which the Company intends to abide;
- actively censuring the behaviours implemented in violation of the Model through the imposition of disciplinary sanctions and/or the activation of contractual remedies.

- allowing the exemption of SACE's administrative liability in the event of the commission of crimes.

2.5. Recipients of the Model

The provisions of the Model apply:

- to the Directors and all those who hold functions of representation, administration and management, even de facto, of the Company or in any case of an organizational unit with financial and functional autonomy;
- to subjects linked by a subordinate employment relationship (Employees, those who are linked by an intermittent, part-time, insertion contract, Employees posted to another company);
- to subjects who, although external to the corporate structure, are linked to it by relationships of "subordination" or "parasubordination" (i.e. External Consultants, those who are linked by a contract for continuative and coordinated services or other subjects linked by a contractual or regulatory bond that subject them to the supervision and control of the Company's Top Management).

2.6. Methodological approach

This Model has been prepared in compliance with the indications prescribed by the reference legislation (Art. 6 of the Decree) as well as on the basis of the Guidelines for the insurance sector developed by the National Association of Insurance Companies, the Guidelines developed by the ABI (Italian Banking Association) and of the Guidelines developed by Confindustria; it also acknowledges the guidelines and developments in the case law.

Its preparation was achieved through a series of activities, divided into different phases, aimed at preparing a risk analysis, prevention and management system described below.

2.7. Mapping of risk activities and analysis of potential risks

The Decree expressly provides, in Art. 6, paragraph 2, subpara. a), that the Organization, Management and Control Model of the Body identifies the business activities in which the offenses included in the Decree may potentially be committed.

The Company therefore proceeded to analyse the business context in order to map the areas of activity in which the relevant offenses under the Decree may be committed.

The identification of Company activities and areas at risk was carried out through the prior examination of the corporate set of regulations (organization charts, main processes, procedures, powers of attorney, organizational provisions, etc.) and the subsequent conduct of meetings with key subjects in the scope of the corporate structure.

In this context, the offenses potentially achievable within the Company activity have been identified.

2.8. Analysis of the internal control system

Once the activities at risk and the related potential crimes were identified, an analysis was carried out of the existing preventive controls in order to formulate a suitability opinion and identify, where necessary, the appropriate improvement actions.

In this phase, therefore, the existing internal control measures were identified (formal procedures and/or processes adopted, verifiability, documentability or "traceability" of the operations and controls, separation or segregation of functions, etc.) through the analysis of the related documentation and conducting a series of interviews with those in charge of the activities.

As part of the *risk assessment activities*, the following components of the preventive control system were analysed:

- organizational system;
- operating Procedures;
- authorization system;
- management control system;
- documentation monitoring and management system;
- formalized ethical principles;
- disciplinary system;
- communication to personnel and related training.

2.9. Gap Analysis and Action Plan

The results obtained in the phase described above were compared with the needs and requirements imposed by the Decree in order to identify any deficiencies in the existing control system.

The result of this activity is formalized in a document called Gap Analysis and Action Plan, which highlights the relevant gaps and necessary interventions in the context of the risk assessment activities described above.

As for the outputs of the risk assessment process, the details of the types of controls investigated and the results of the Gap Analysis, please refer to the relevant sheets, in their latest revision, present in the SACE archive.

2.10. Prevention protocols and control system

The components (the so-called protocols) of the preventive control system that must be implemented at company level to ensure the effectiveness of the Model are:

- a. **organizational system** sufficiently formalized and clear;
- b. **authorization and signature powers** assigned in accordance with the defined organizational and managerial responsibilities;
- c. **internal control system**;
- d. system of ethical principles and rules of conduct aimed at preventing the offenses envisaged by the Decree;

- e. **management control system** able to promptly report the existence and occurrence of critical situations, through manual and automatic safeguards suitable to prevent the commission of crimes or to detect ex-post any irregularities that could conflict with the purposes of the Model;
- f. **documentation management system**;
- g. **communication and training system**, concerning all elements of the Model;
- h. adequate **disciplinary system** to sanction the violation of the rules of the Group Code of Ethics and other indications of the Model;
- i. **information and reporting system** between the subjects involved in each process.

These control protocols constitute valid safeguards for the prevention of all types of crime envisaged by the Decree; for specific control measures, please refer to the Special Section.

The preventive control system for the reduction of the risk of committing significant crimes pursuant to the Decree also forms an integral part of the Company's broader internal control and risk management system, the purposes of which are:

- the implementation of corporate strategies and policies;
- the implementation of adequate control of current and future risks and the containment of risk within the limits indicated in the reference framework for the determination of the Company's risk appetite;
- respect for the effectiveness and efficiency of business processes;
- the timeliness of the corporate information reporting system;
- the reliability and integrity of corporate, accounting and management information, and the security of information and IT procedures;
- safeguarding the assets, the value of the assets and protecting against losses, also in the medium/long term perspective;
- compliance of the Company's business with current legislation, as well as with political directives, regulations and internal procedures.

The Board of Directors, which has ultimate responsibility for this system, ensures its constant completeness, functionality and effectiveness, thus promoting a high level of ethical integrity and a culture of control such as to sensitize the entire staff on the importance of the monitoring activity.

a. Organizational system

The organizational system is approved by the Board of Directors and/or the Chief Executive Officer and formalized through the issue of Organizational Communications that highlight the tasks and responsibilities of each individual organizational unit.

b. Authorization system

As suggested by the industry guidelines, the authorization and signature powers must be assigned in accordance with the defined organizational and managerial responsibilities, providing,

when required, a precise indication of the expense approval thresholds, especially in the areas considered at risk of crime.

Overall, the Company's authorization system is based on a system of delegated functions and powers of attorney formalized and adequately communicated, specified in Section c below.

c. Internal control system

The Company's control system is characterized by the following general control principles, placed at the base of the tools and methods used to structure the specific control principles present in the individual Special Sections of the Model:

- segregation of duties: application of the principle of separation of activities is required between those who authorize, those who perform and those who control;
- existence of formalized procedures: there must be formalized procedures, suitable to provide principles of behaviour, which describe operating methods for carrying out sensitive activities as well as methods of archiving the relevant documentation;
- traceability and ex-post verifiability of transactions through adequate documentary/IT supports: every operation relating to the risk area must be adequately recorded. The decision-making process, authorization and carrying out of the sensitive activity must be verifiable ex-post, also by means of specific documentary supports (to be filed safely and for an appropriate period of time and in compliance with the legislation, where applicable) and, in any case, the cases and methods of any possibility of cancellation or destruction of the records made must be regulated in detail;
- existence of a system of delegations and proxies consistent with the assigned organizational responsibilities: the authorization and signature powers must: a) be consistent with the assigned organizational and managerial responsibilities; b) be defined and known within the Company; c) be preferably exercised jointly and in any case limited to defined value limits.

The essential requirements of the power of attorney system and delegation of functions, for the purpose of effective crime prevention are the following:

- all those who have relations with the Public Administration on behalf of SACE must have powers of attorney/proxies in this sense;
- the powers of attorney/proxy must be consistent with the position held by the delegate in the organization chart and with the responsibilities assigned to it and must be constantly updated to adapt them to organizational changes;
- each power of attorney/proxy defines the powers of the delegate, the person/persons to whom the delegate reports hierarchically, the management powers assigned and/or the spending powers granted, in accordance with the organizational position and the functions assigned.

d. System of ethical principles and rules of behaviour

SACE has adopted the Group Code of Ethics as a tool that establishes the set of principles that inspire the Company's relations with Employees, Customers, Suppliers, Public Administration,

financial market (in general, therefore, with reference to Stakeholders with regards to the Company).

The Group Code of Ethics is a document separate from the Model even if related to it as an integral part of the prevention system with which SACE is provided, which aims at recommending, promoting or prohibiting certain behaviours even beyond the legislative and regulatory provisions and is added to what is established by the Model and by current legislation.

The adoption of ethical principles relevant to the prevention of the offenses referred to in the Decree represents an objective of the Model. With this in mind, the adoption of a code of conduct as a governance tool is an essential element of the preventive control system. The Group's Code of Ethics, in fact, integrated into the wider corporate governance system, aims at increasing corporate controls intended for reducing the risk of committing significant illegal conduct pursuant to the Decree by recommending certain behaviours or, vice versa, by prohibiting certain conducts subject to related penalties proportionate to the seriousness of any infringements committed.

e. Management control and financial flows

The management control system adopted by SACE is divided into the various stages of preparation of the annual budget, analysis of periodic financial statements and revision of forecasts at Company level. The system guarantees:

- the plurality of subjects involved and an appropriate segregation of the business areas involved in the processing and sending of information;
- the timely reporting of the onset of critical situations through suitable information and reporting flows.

Financial flows must be managed in compliance with the principles of traceability and documentability of the transactions carried out, as well as consistency with the powers and responsibilities assigned.

f. Documentation management

All internal and external documentation is managed in a manner that governs, as appropriate, updating, registration and archiving.

g. Communication and training

The staff of the Company is guaranteed adequate communication and training in relation to the processes relevant to the knowledge and application of the Model and related protocols.

h. Disciplinary system

The effective operation of the Model is guaranteed by an adequate disciplinary system that sanctions failure to comply with and violation of the rules contained in the Model. Such violations must be disciplined, regardless of the possible establishment of a

criminal judgment, as they constitute a violation of the duties of diligence and loyalty of the worker and, in the most serious cases, damage to the relationship of trust established with the Employee.

3. SUPERVISORY BODY

In compliance with the provisions of Art. 6 paragraph 1, subpara. b) of the Decree, the Supervisory Board (hereinafter also referred to as "SB" or "Board") is appointed by the SACE Board of Directors and has a collegial structure.

3.1. Identification

The composition of the Supervisory Board has been defined in order to guarantee the following requirements:

- autonomy and independence;
- professionalism;
- continuity of action.

Autonomy and independence

The requirements of autonomy and independence are essential so that the SB is not directly involved in the management and operational activities that constitute the object of its control activity. These requirements can be preserved by guaranteeing the Board a hierarchical independence - as high as possible - and a multi-subjective structure, with reporting activities at the Top Management.

Professionalism

The Board must hold technical-professional skills appropriate to the functions it is called to perform, with particular reference to specific skills in the field of inspection and consultancy activities. These characteristics, combined with independence, guarantee the objectivity of its opinion.

Continuity of action

The Board must:

- constantly work on the supervision of the Model with the necessary investigative powers;
- therefore, be an internal structure so as to guarantee the continuity of the supervisory activity;
- have its own *budget* for verification activities.

In order to guarantee the autonomy and independence of the SB, its members must have the following requirements:

- not to have conjugal, kinship or affinity relationships within the fourth degree with the Directors or with the Members of the Board of Statutory Auditors of SACE and its subsidiaries;
- not be holders of proxies that could undermine their independence of opinion;

- not be in the legal condition of being banned, incapacitated, bankrupted or sentenced to a penalty that entails the interdiction, even temporary, from public offices or the inability to exercise managerial offices;
- not to have been subjected to preventive measures ordered by the judicial authority, without prejudice to the effects of rehabilitation;
- not be subjected to criminal proceedings, not be sentenced or subject to punishment pursuant to Art. 444 and subsequent ones of the Criminal Procedure Code, without prejudice to the effects of rehabilitation, in relation to one of the offenses envisaged by the Decree;
- not having undergone a non-irrevocable sentence (or plea bargaining) for one of the offenses referred to in the Decree.

The tasks, activities and functioning of the Board are governed by specific Regulations approved by the same. In this context, the Board avails itself of the collaboration of a dedicated staff, composed of internal resources of the *Internal Auditing Division* and the *Organization Division*. Furthermore, if specializations not present within the aforementioned functions are required, the Board may resort to other Company resources as well as External Consultants.

3.2. Term of office, revocation and replacement of the members of the SB

The Members of the Board remain in office for three years and, in any case, until the appointment of their successor and are renewable.

The termination of office of the Members can be determined by renunciation, termination or revocation.

The waiver by the Members of the Board can be exercised at any time and must be communicated in writing to the Board of Directors and to the Board of Statutory Auditors of SACE. If, in relation to one of the Members of the Board, the requirements referred to in paragraph 3.1 are no longer met, the SACE Board of Directors, after having carried out the appropriate checks and after having heard the Party involved and the other Members of the Board, establishes a deadline not less than 30 days within which the incompatibility situation must cease. After this term without the aforementioned situation has ceased, the SACE Board of Directors must declare that the Member office has expired and take appropriate resolutions.

Likewise, absence during the year, regardless of whether justified or unjustified, twice consecutively, or more than three times overall, at the meetings of the Supervisory Board, entails automatic forfeiture of the assignment, to be implemented in the manner defined above.

The revocation of the proxy given to one of the Members of the Board can be deliberated by the SACE Board of Directors only for just cause and after hearing the Board of Statutory Auditors and the other Members of the Board. In this regard, just cause of revocation means:

- a serious breach of one's duties as defined in the Model;

- an order of condemnation of the Company pursuant to the Decree or a plea-bargaining judgment, which has become final, where the documents show "the omitted or insufficient supervision" by the Board, according to the provisions of Art. 6, paragraph 1, subpara. d) of the Decree;
- a sentence of conviction or plea bargain issued against one of the Members of the Board for having committed one of the crimes provided for by the Decree or crimes of the same nature;
- the violation of the confidentiality obligations that Members are required to observe in the exercise of their functions.

If the revocation is exercised against all the Members of the Board, the Board of Directors of SACE, after consulting the Board of Statutory Auditors, will appoint a new Board.

In the event of a precautionary application of one of the disqualification measures provided for by the Decree, the Board of Directors of SACE, having taken the appropriate information, if it finds a hypothesis of omitted or insufficient supervision by the Board, assesses the existence of the conditions for the revocation of its Members.

In the event of renunciation, termination or revocation of a Member of the Board, the SACE Board of Directors must promptly replace it.

3.3. Functions and powers

The following functions are entrusted to the Supervisory Board:

- to oversee the effective and concrete application of the Model, thus verifying the congruence of conduct within the Company with respect to the same;
- to assess the actual adequacy of the Model over time to perform its function as a crime prevention tool;
- to investigate reports of violations of the Group's Code of Ethics within its competence (for the offenses envisaged by the Model);
- to report to the competent bodies on the state of implementation of the Model;
- to prepare proposals for amendment and updating of the Model, necessary following modification of the regulations or of the organizational structure;
- to verify the implementation and actual functionality of the changes made to the Model.

While carrying out these functions, the Board has the task of:

- proposing and promoting all the initiatives necessary for the knowledge of this Model inside and outside the Company;
- developing control and monitoring systems aimed at preventing the offenses referred to in the Decree;
- checking the activity carried out by the various functions within the Company, accessing the related documentation in order to verify the actual presence, the regular seal and the effectiveness of the same, in accordance with the provisions of the Special Section;

- carrying out targeted checks on certain sectors or specific company activity procedures and conduct internal investigations to ascertain alleged violations of the provisions of this Model;
- verifying that the elements envisaged by the Special Section (adoption of standard clauses, completion of procedures, etc.) are adequate and meet the requirements of observance of the provisions of the Decree, providing, if not, an update of the elements themselves;
- coordinating with the other corporate Departments in order to analyse the map of areas at risk, monitoring the implementation status of this Model and preparing improvements or additions in relation to the aspects relating to the coordinated implementation of the Model (instructions for implementing the Model, inspection criteria, definition of standard clauses, staff training, disciplinary measures, etc.);
- collecting, processing and storing data and information relating to the implementation of the Model;
- coordinating with the Supervisory Bodies of the subsidiaries in order to allow them to adopt Organization and Management Models in line with the principles of this Model, within the framework of the general group guidelines issued by the Company.

4. INFORMATION FLOWS

4.1. Information flows to the Supervisory Board

The Decree requires the provision in the Model of specific information obligations towards the Supervisory Board by the Departments of the Company.

The obligation to establish structured information flows is conceived as a tool for supervising the effectiveness and efficiency of the Model and for any subsequent verification of the causes that made possible the occurrence of the offenses envisaged by the Decree.

4.2. General flows

Any information, of any kind, also coming from Third Parties pertaining to the implementation of the Model in the areas of activity at risk must be brought to the attention of the Body.

In order to facilitate the flow of reports and information to the Body, the following email address has been established as a dedicated communication channel with the Supervisory Board: OrganismodiVigilanza@sace.it.

The information obligation concerns any information relating to:

- commission of crimes or implementing suitable acts aimed at carrying out the crimes;
- conduct not in line with the rules of behaviour provided by the Model;
- any shortcomings in the current procedures;
- any changes in the corporate or organizational structure;
- any violations of the Group Code of Ethics for the offenses covered by the Model;
- transactions of particular significance or that present risk profiles such as to induce a reasonable danger of committing crimes;
- measures and/or news from judicial police bodies or from any other authority, from which the conduct of investigations, even against unknown persons, for the crimes referred to in the Decree is shown;
- requests for legal assistance sent by Executives and/or Employees in the event of legal proceedings being initiated for the offenses envisaged by the Decree;
- reports prepared by the Managers of other corporate Departments as part of their control activity and from which facts, acts, events or omissions may arise with critical profiles with respect to compliance with the provisions of the Decree;
- news relating to the effective implementation, at all Company levels, of the Model with evidence of the disciplinary proceedings carried out and any penalties imposed or the measures to dismiss these proceedings with the related reasons.

The Board may also request the support of the auditing firm regarding the information relevant to the implementation of the Model acquired during its activity.

The Board will evaluate the reports received and any consequent initiatives at its reasonable discretion and responsibility, possibly listening to the author of the report and/or the person responsible for the alleged violation and documenting the result of its assessments.

Reporting methods and protection of the Reporting Party

The circumstances listed above must be reported through the above email address or, alternatively, through a special IT channel suitable for guaranteeing the confidentiality of the identity of the Reporting Party. This channel will be made known through SACE's Internet and intranet channels.

4.3. Specific flows

In addition to the reports mentioned above, the Company Departments concerned will have to send specific information flows to the Board.

The contents of the specific information flows are identified by the Board that will periodically, and at least once a year, update them.

4.4. Reporting lines of the Supervisory Board

The Supervisory Board provides annual reporting to the Board of Directors and the Board of Statutory Auditors.

The annual reporting will focus in particular on:

- the overall activity carried out during the period, with particular reference to the verification activity;
- the critical issues that emerged, both in terms of conduct or events internal to the Company and in terms of the effectiveness of the Model;
- the activities that could not be carried out for justified reasons of time and/or resources;
- the necessary or appropriate corrective and improvement measures of the Model and their state of implementation;
- the plan of activities scheduled for the following year.

In addition, the Board must promptly report to the CEO about:

- any violation of the Model deemed to be founded which has come to its knowledge by report or which the Board has ascertained;
- detection of organizational or procedural deficiencies such as to concretely determine a danger of committing the offenses relevant for the purposes of the Decree;
- organizational changes particularly relevant for the implementation and effectiveness of the Model;
- failure by the corporate structures to cooperate (in particular, refusal to provide the Supervisory Board with the requested documentation or data, or obstacle to its activity);
- news of criminal proceedings against subjects operating on behalf of the Company, or of proceedings against it in relation to the offenses contemplated by the Decree;
- any other information deemed useful for the purpose of taking urgent decisions by the President and the CEO.

Finally, the Board must promptly report:

- any violations of the Model put in place by the President, the Chief Executive Officer, other Executives of the Company to the Board of Directors;
- any violations of the Model put in place by the Independent Auditors to the Board of Statutory Auditors, or, in order the provisions provided for in this regard by law are implemented, by the Members of the Board of Directors.

5. SANCTIONING SYSTEM

The definition of a disciplinary system suitable for sanctioning failure to comply with the provisions of the Model is a necessary condition for ensuring the effective implementation of the Model. Consequently, it is necessary that the Model, in order to prevent the commission of the offenses envisaged by the Decree, identifies and sanctions the conduct that may favour the commission of such offenses.

Given the above, the Directors, all Employees of the Company - as identified by Articles 2094 and subsequent ones of the Italian Civil Code, including Executives - as well as the subjects referred to in Art. 1742 of the Italian Civil Code (Self-employed workers) who collaborate with the Company and, in general, Consultants must be considered subject to the disciplinary system.

The sanctioning system will be applicable in the event that violations of the Model have been ascertained, regardless of the occurrence of an offense and regardless of whether or not to establish and the outcome of any investigation or criminal proceeding.

The disciplinary sanctions that can be imposed are identified below:

- disciplinary sanctions against Employees of the Company: the violation of the law, the provisions of the Group Code of Ethics and the provisions of the Model by the Company's Employees, as well as, in general, the taking of suitable behaviours to expose the Company to the application of the administrative sanctions provided for by the Decree, may determine the application of conservative or expulsive sanctions, in compliance with the limits set out in Art. 2106 of the Italian Civil Code, in Articles 7 and 18 of Law 300/1970, as well as the applicable collective labour agreement. In this context, the applicable disciplinary measures, in relation to the seriousness or recidivism of the lack or degree of fault are:
 - verbal reprimand;
 - written reproach;
 - suspension from service and from economic treatment for a period not exceeding 10 days;
 - dismissal for significant breach of the contractual obligations of the Employer (justified reason);
 - dismissal for so serious failure to comply as not to allow the continuation of the relationship, even temporarily (just cause);
- disciplinary sanctions against Employees acting as Executives: the violation of the law, the provisions of the Group Code of Ethics and the provisions of this Model by the SACE Executives, as well as, in general, the taking of suitable behaviour to expose the Company to the application of the administrative sanctions envisaged by the Decree, may determine the application of sanctions pursuant to collective labour agreement for the other categories of Employees, in compliance with Articles 2106, 2118 and 2119 of the Italian Civil Code, as well as Art. 7 of Law 300/1970 and applicable collective labour agreement. The ascertainment of any violations, as well as inadequate supervision and failure to promptly inform the Supervisory Board, may determine, by

the Executives, the suspension as a precautionary measure from work - without prejudice to the Executive's right to remuneration - as well as, always provisionally and as a precautionary measure for a period not exceeding three months, the assignment to different positions in compliance with Art. 2103 of the Italian Civil Code;

- measures against the Directors: in the event of violation of the Model or the Group Code of Ethics by one or more members of the Board of Directors, the Body will inform the Board of Statutory Auditors and the Board of Directors, which will take appropriate measures pursuant to the law;
- measures against Statutory Auditors: in the event of violation of the Group Code of Ethics, the Body will inform the Board of Directors, which will take appropriate measures pursuant to the law;
- measures against external Collaborators and Partners: any behaviour in contrast with the lines of conduct indicated by the Model may determine, on the basis of appropriate contractual clauses, the termination of the relationship;
- measures against Top subjects: in any case, also the violation of the specific supervisory obligation on subordinates imposed on Top subjects will result in the Company taking the sanctioning measures deemed most appropriate in relation, on the one hand, to the nature and seriousness of the violation committed and, on the other, the qualification of the top person who should commit the violation.

6. DISSEMINATION OF THE MODEL

6.1. Communication and staff training

For the purposes of the effectiveness of the Model, SACE believes it is necessary to ensure correct disclosure and knowledge of the same and of the behavioural rules contained therein, towards the resources already present in the Company and those to be included, with a different degree of depth due to the different level of involvement of the same resources in risk activities.

The supervision of the information and training system is entrusted to the Body in collaboration with the Heads of the corporate Departments involved from time to time in the application of the Model.

In particular, different levels of information and training will be provided through the dissemination tools deemed most suitable.

In relation to the communication of the Model, SACE undertakes to disseminate it by email and the corporate Intranet to all Employees and Collaborators, thus entering all the necessary information for its understanding where necessary.

Training and periodic communication activities to Company Staff are documented by the Body. The functioning of the Body and its components are disclosed through specific information.

6.2. Information to External Collaborators and Partners

SACE promotes the knowledge and observance of the Group Code of Ethics also among Consultants, Collaborators in various capacities and the Company's Suppliers. The information may be provided, for the subjects listed above, through the provisions of the website and also through the acceptance of a clause on the principles and rules present in the Group Code of Ethics to be included in the standard contracts.